ANNUAL PLANNING REPORT

1981

Washington State

Affiliated with
Employment and Training Administration
U.S. Department of Labor

Washington State
Employment Security

John Spellman, Governor
Norward J. Brooks, Commissioner

JOB SERVICE

ANNUAL PLANNING REPORT

JULY 1981

WASHINGTON STATE

A Labor Market Information Report of the
Research and Statistics Branch
Washington State Employment Security Department

Prepared in cooperation with the
Bureau of Labor Statistics and the
Employment and Training Administration
U.S. Department of Labor

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1. Highlights

According to the official census count, the population of Washington State was 4,130,163 as of April 1, 1980. This was a gain of approximately 717,000 (21 percent) over the past 10 years. It is anticipated the growth will continue and that by 1982 there will be another 174,600 individuals in the state to bring the population up to 4,304,800.

Population changes by county varied from a loss of 15.2 percent in Garfield County to a gain of 103.3 percent in San Juan County. Only three counties registered population loss over the years 1970-1980 - Kittitas (-0.6) in central Washington, Garfield (-15.2) and Columbia (-8.6) in southeastern Washington. Together they represented a loss of only 987 individuals. These are rural counties with few job opportunities and no particular natural attraction for livability.

The two island counties in the northwest recorded the largest percentage gains over the 10 year period - San Juan with 103.3 percent (up 3,982) and Island County, 68.1 percent (up 17,037). These islands have the advantages of natural beauty and mild climate.

Stevens County in northeastern Washington with a 66.5 percent increase attracted 11,574 more individuals. Benton County added 41,904 for a ten year gain of 62 percent and Thurston County grew 61.4 percent through an addition of 47,270 persons. Numerically Pierce County attracted the greatest number - 158,375. Washington now has nine counties with population of over 100,000: Benton, Clark, King, Kitsap, Pierce, Snohomish, Spokane, Thurston and Whatcom. Newcomers to the over 100,000 class are Benton, Thurston and Whatcom counties.

Total employment in Washington State is expected to increase a mere 5,500 in Fiscal Year 1981. It is anticipated that by 1982 the growth rate will resume its pattern of previous years and show a gain of 60,500.

The need for employment and training services is evidenced by a combination of related factors for which FY 1982 projections are available. It has been estimated that 368,700 persons will be eligible for one or more CETA programs; that approximately 97,000 public assistance recipients may require some form of employment related services, and that about 340,050 persons aged fourteen and over may have a family income below the poverty level. Although there is considerable overlap among these groups, the total number of persons requiring job-related services is likely to exceed the number in any single group.

Age, education and race appear to be an influencing factor in the makeup of the disadvantaged. Approximately 25 percent of the economically disadvantaged were under age 22 although that age

group accounted for only about 18 percent of all persons of labor force age - from 16 to 64 years. Individuals with less than a high school education represented 38.7 percent of the disadvantaged applicants at Job Service Centers versus 24.0 percent of the nondisadvantaged. Minority groups comprised 24.3 percent of the disadvantaged job applicants but 13.0 percent of the nondisadvantaged. Minorities constitute approximately 10.2 percent of the total population of Washington State.

Although the economically disadvantaged are of special concern because of the many barriers they face in finding and retaining suitable employment, the majority of persons requiring employment and training services are not disadvantaged. Some are without employment for a few weeks, while others may be jobless for months, depending on economic conditions. Many who are in seasonal industries become unemployed each year.

Barriers confronting disadvantaged individuals in securing employment are both economic and non-economic, with the latter being the principal limiting factor in many instances. Among the major non-economic barriers are lack of education, job experience and/or job training, child care and transportation problems, physical and mental handicaps, and age and minority group status. Many disadvantaged individuals must overcome more than one of these factors before becoming employed.

Many female heads of households encounter problems of low pay on the one hand and high job related costs on the other (child care, transportation, etc.). Minorities still have greater difficulty securing suitable employment than others, despite significant progress in recent years. Many Native Americans are at a locational disadvantage relative to employment and training facilities.

The graphs on pages 3 and 4 show the employment and unemployment in Washington, 1979-1981 and the annual averages from 1970-1980.

CHART 1

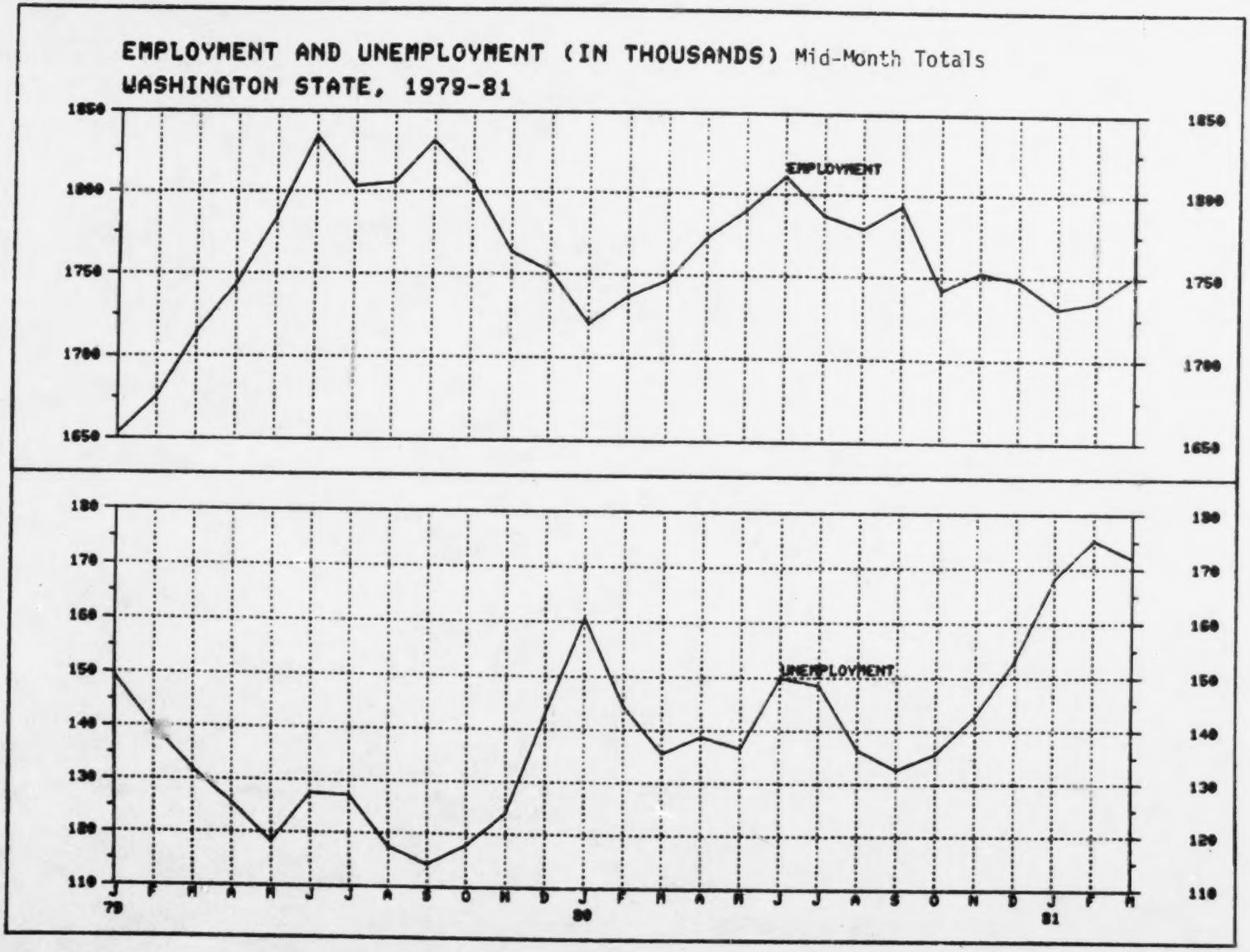
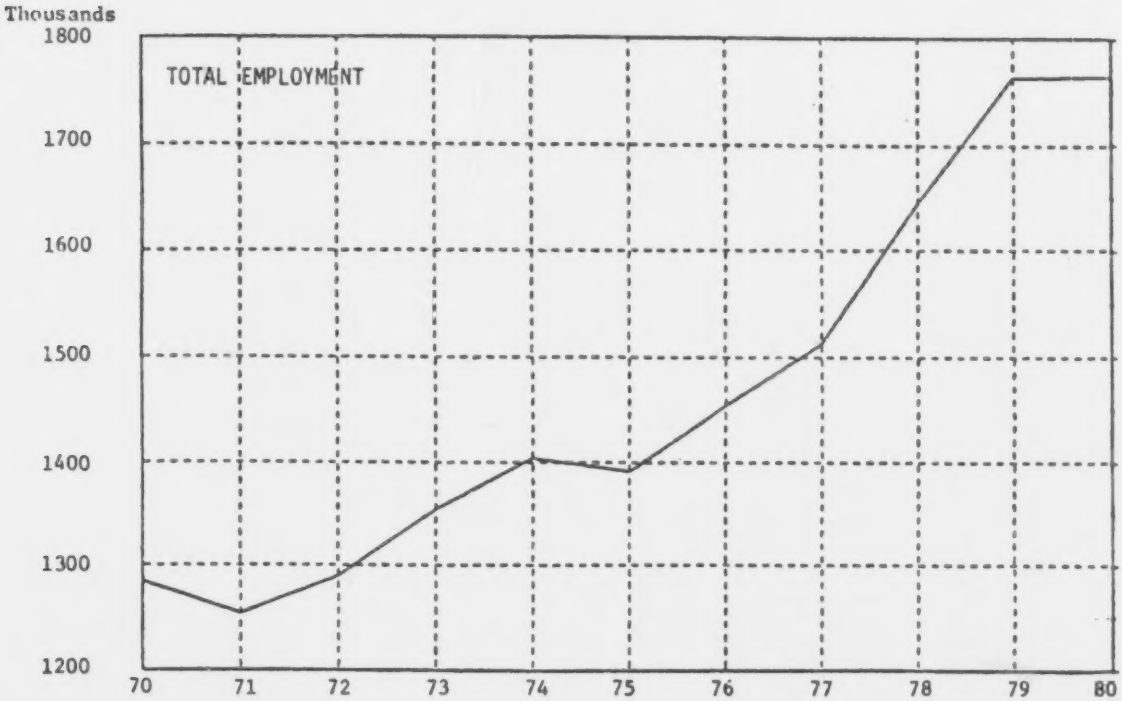

EMPLOYMENT AND UNEMPLOYMENT (IN THOUSANDS) Mid-Month Totals
WASHINGTON STATE, 1979-81
1850
1800
1750
1700
1650
EMPLOYMENT
180
170
160
150
140
130
120
110
UNEMPLOYMENT
J F M A M J J A S O N D J F M A M J J A S O N D J F M
79
80
81

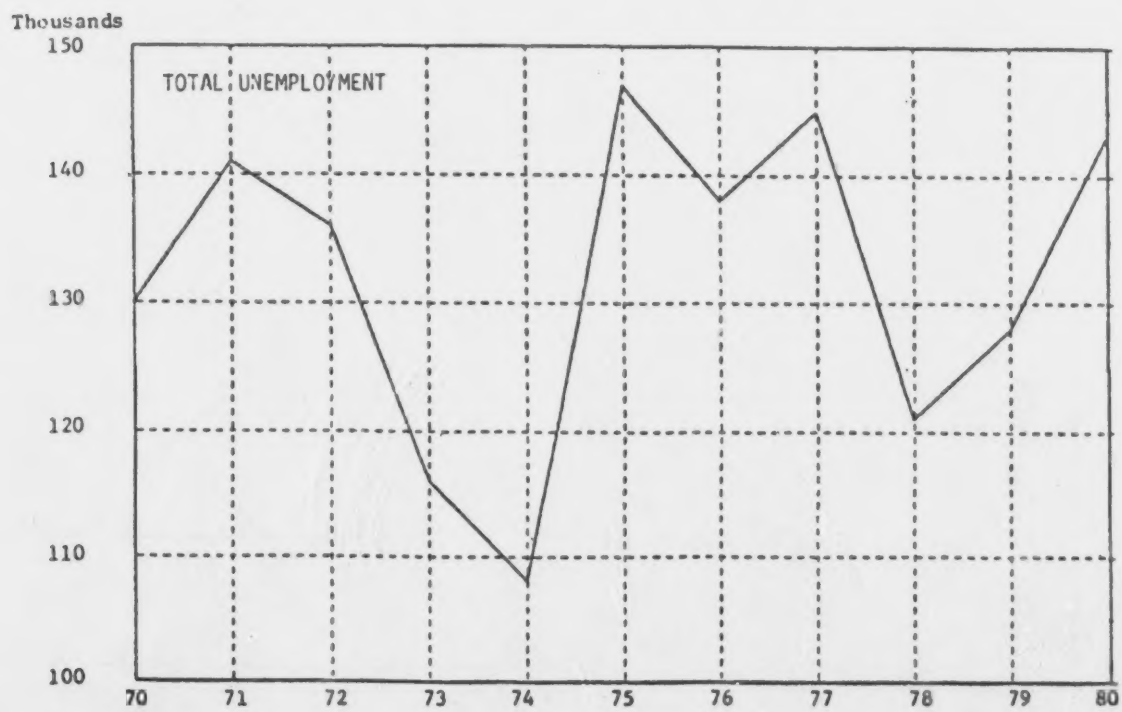
CHART 2

TOTAL EMPLOYMENT AND TOTAL UNEMPLOYMENT

STATE OF WASHINGTON

Annual Averages 1970 - 1980





2. Description of State

A. Definition of Area

Washington State, the most northwesterly of the contiguous United States, is divided into east and west by the Cascade Mountain Range. These mountains are rugged with ridges between 3,000 and 8,000 feet. Several volcanic peaks reach above the 9,000 foot level, the highest of which is Mount Rainier (14,410 feet). The Cascades form a natural barrier between east and west, resulting in striking contrasts in climate, vegetation, geography, population density, and economic activities.

The mountains provide many economic and recreational opportunities. The lower slopes of the Cascades are thickly forested on the western side; scattered stands of pine and alpine grasslands are common on eastern slopes. There are many rivers and lakes, and the skiing terrain is excellent.

(1) Western Washington has a mild but relatively wet climate and can be divided geographically into three general regions.

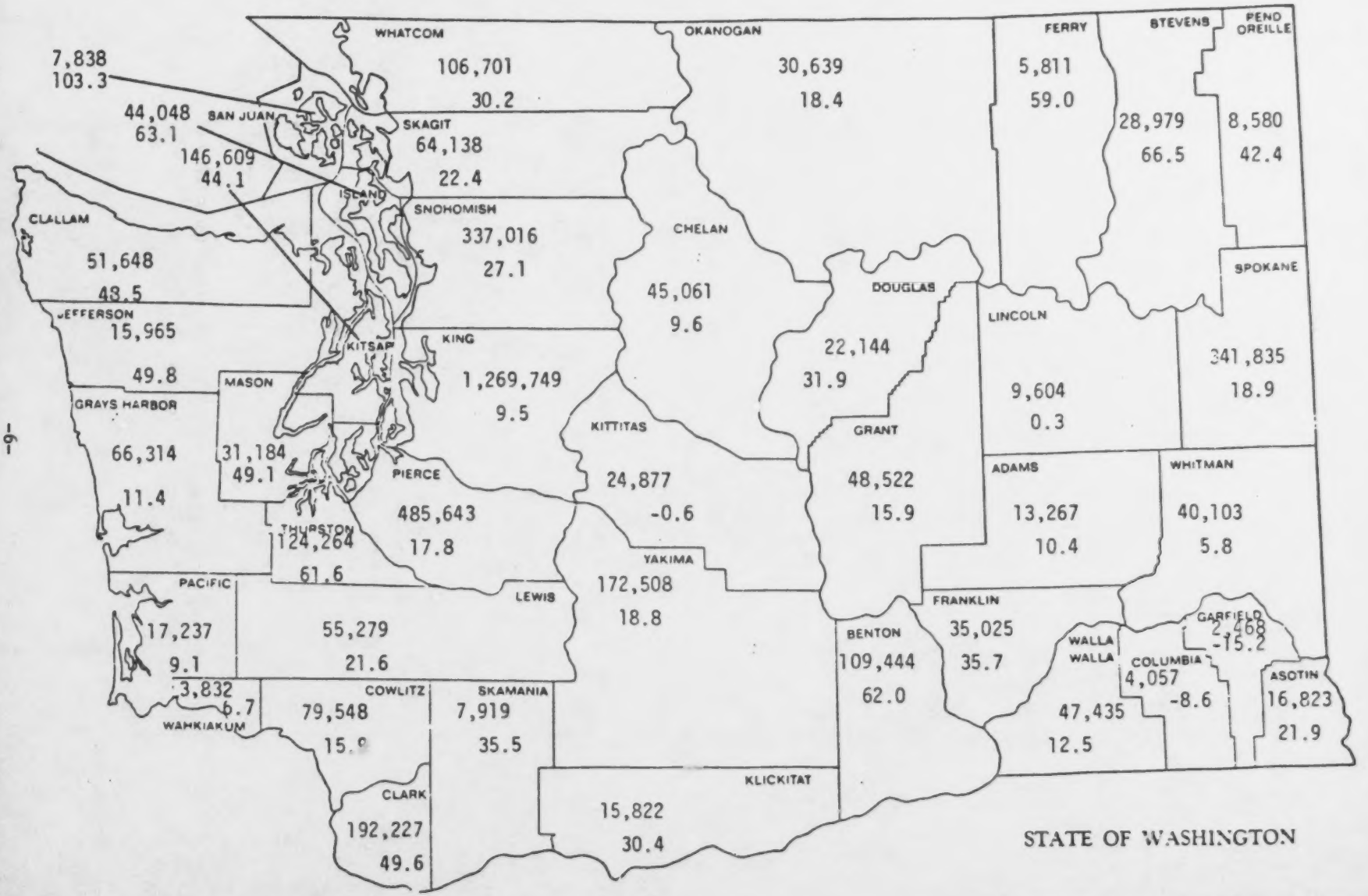
The Olympic Peninsula, dominated by the snow-capped Olympic Mountains, records the heaviest rainfall in the continental United States. The lower slopes of the mountains are covered by thick rain forests.

Southwestern Washington consists of coastal plains in the west and high hills to the east extending to the foothills of the Cascades. The mild climate is characterized by long periods of moderate rainfall. Mt. St. Helens is located on the Western edge of this area.

The Puget Sound region, a valley between the Olympic and Cascade Mountains, features an extension of the sea that reaches to the heart of Western Washington. Along the one hundred or so miles of Puget Sound are hundreds of islands and numerous bays and deep water harbors. Two of the three largest cities in the state, Seattle and Tacoma, are located on the sound as is Olympia, the state capital. The Puget Sound region is the hub of industrial activity in Washington.

(2) Eastern Washington is characterized by more extreme temperature variations and relatively little precipitation.

POPULATION OF WASHINGTON COUNTIES - 1980 AND PERCENT CHANGES, 1970-1980



STATE OF WASHINGTON

"1980 Census of Population & Housing"
U. S. Department of Commerce

Total 1980 Population: 4,130,163
Percent Change 1970-1980: 21.3

The Okanogan Highlands, extending east from the Cascade Range across north central Washington, consist mostly of mountains, forested uplands and numerous river valleys.

The Columbia Basin consists of a mixture of plains, ridges, coulees, alluvial valleys, low rounded hills of wind-deposited soil, and elevated plateaus. The area is higher around its margins and slopes inward to low and level plains.

(a) The varied topography within the Columbia Basin creates several sub-areas which differ in structure and topography:

The Waterville Plateau - a high plateau in the northwest corner of the basin.

The Channeled Scablands - a belt of dry terrain to the east carved by the floods from retreating glaciers into a series of coulees.

The Palouse Hills - low rounded hills of wind-deposited soil along with some elevated plateaus which occupy the eastern edge of the basin to the Blue Mountains to the south.

Yakima Folds - a series of hilly ridges extending from the Cascades eastward into the southern part of the Columbia Basin. Between the ridges is a rich alluvial valley formed by the Yakima River.

The Central Plains - in the center of the Columbia Basin. Along with the Yakima Valley, this area contains more than two-thirds of the irrigated agricultural acreage of the state.

Spokane, the second largest city in Washington, is located on the eastern rim of the Columbia Basin and is the major population and trade center of eastern Washington.

B. Population and Labor Force Characteristics and Trends

The 1970's were a prosperous but volatile ten years for the state of Washington. After The Boeing Company laid off thousands of its employees in 1970, the first few years of the decade were dismal. While the nation's population increased a moderate but

steady seven percent in the first three years of the 1970's, Washington's population had not even grown one percent. Between 1971 and 1973 a total of 39,000 people, 29,000 in 1972 alone, had left the state to seek jobs elsewhere. There were times when the famous billboard asking the last person leaving Seattle to "please turn off the lights" seemed not a joke.

In that climate of economic decline, the inexorable links to the rest of the country became starkly real to the resource rich and rugged state in the corner. The demand for its airplanes and technological knowhow, along with lumber and wood, formed the backbone of its economy. When that demand fell off, many of its workers relocated to find jobs in California, Texas, or Colorado.

Although the state's economy recovered from Boeing's troubles, a national recession intervened soon after. The unemployment rate relapsed sharply, increasing from 7.2 percent in 1974, to 9.5 percent in 1975. Again, Washington was reminded of its economy's interdependency with the nation. But that same interdependency was to make Washington grow in the late 1970's.

In terms of the resources that count for long-term growth--those which attract job seekers and new and expanding firms--the state's advantages remained intact despite the acute shocks and obstacles of recession and cancellation of Boeing's SST contract by the federal government. Washington had an attractive environment, abundant energy, a substantial urban population, and a well-developed transportation and communication network. Thus, in a larger sense, like most western states, Washington was on the threshold of explosive growth. Demographic trends, spreading the nation's population and economic activity from the manufacturing belt to the nation's southern and western periphery, had yet to be played out; there was still some filling in to do in Washington State.

Demographic trends eventually combined with the state's special locational attributes and a robust Boeing Company to yield unprecedented economic and population growth in the last five years of the decade.

Between 1975 and 1980, the number of civilians employed in the state expanded 374,000, or 27 percent. The same figure nationally was 15 percent. Of the 21 percent increase in the state's resident population between 1970 and 1980, half of it occurred between 1978 and 1980. Of that 414,000 increase, 322,000 (78 percent) resulted from inmigration. For the same reason that people left Washington in the early 70's--economic conditions--they came in the late 70's.

Table 1 shows the trends in Washington's net migration and its population growth compared to the United States.

TABLE 1

POPULATION GROWTH - UNITED STATES COMPARED TO WASHINGTON
NET MIGRATION - WASHINGTON
1970 - 1980

	UNITED STATES		WASHINGTON		WASHINGTON
	Population (X 1,000)	% Change (Since 1970)	Population (X 1,000)	% Change (Since 1970)	Net Migration (X 1,000)
1970	203,235	0.0	3,413	0.0	N/A
1971	205,597	1.2	3,430	0.5	-7.2
1972	208,439	2.6	3,419	0.2	-28.7
1973	210,036	3.3	3,424	0.4	-3.3
1974	211,551	4.1	3,448	1.0	46.2
1975	212,796	4.7	3,494	2.4	39.4
1976	214,280	5.4	3,572	4.7	45.8
1977	215,892	6.2	3,662	7.3	55.4
1978	217,599	7.1	3,774	10.6	94.0
1979	219,442	8.0	3,911	14.6	113.0
1980	226,505	11.4	4,130	21.0	115.7

SOURCES: U.S. Department of Commerce, Bureau of the Census
Office of Financial Management

In addition to migrants seeking jobs in Washington, residents who had not considered themselves part of the civilian labor force, such as housewives, teenagers, retirees, and military personnel, also saw the chance to compete for the greater number of jobs. The proportion of residents who consider themselves part of the workforce has increased significantly in the last ten years. Whereas Washington's labor force participation rate was below national average in 1970, it was slightly above the nation's average in 1980 for both males and females.

The 1970 and 1980 labor force participation rates for Washington and the United States for the noninstitutional population--16 years and older--follow.

	WASHINGTON		UNITED STATES	
	1970	1980	1970	1980
Female	40.7	52.0	42.6	51.3
Male	77.6	78.6	80.0	78.3
Total	58.8	64.9	60.4	63.8

SOURCES: December 1980 Current Population Survey, Annual Average;
1970 Census of Population

Population growth, inmigration and higher work force participation of residents resulted in a 24.1 percent gain in Washington's civilian labor force between 1975 and 1980. But, while the economy created jobs at a record pace, not every new entrant to Washington's labor force found a job. Some were pushed into unemployment by those with more marketable skills. The upshot was that Washington's unemployment rate was not reduced in any lasting way. There were more jobs in the late 70's, but also more people competing for them.

In an expanding and diversifying Washington economy where low skilled jobs are getting scarce, the fast growing population and labor force of nonwhites have complicated the unemployment problem. According to the latest census, the total minority population increased 83.3 percent, from 6.7 percent of the state's population in 1970 to 10.2 percent in 1980 as indicated in Table 2. The greatest 10 year increase was among the "other" category, mostly refugees. (See Page 12 for description of race categories.)

The proportion of nonwhites to total population in 1982 will remain approximately the same as 1980. Table 3 shows 1970 and projected 1982 population by sex, age and race. Table 4 distributes the 1982 population estimates by major labor market area.

Table 5 compares the 1970 and projected 1982 performances in the labor force of nonwhites relative to whites. In labor force participation percentages, whites greatly exceeded nonwhites since their chance of success (finding a job), was far greater, especially in the troubled state economy in 1970. The labor force participation rate was 41.5 percent for whites compared to 36.5 percent for nonwhites. By 1982 the rates are expected to be 46.7 for whites and 42.6 for nonwhites. Unemployment is consistently higher for blacks than for whites and is expected to remain so. 1/

One source of labor force expansion and a contributor to unemployment in the late 1970's has been the baby boom of the late forties and early fifties showing up in the labor force. Now in the 22 to 44 age category, they have swelled the prime working age population and are competing with each other for jobs. Table 2 shows that between 1970 and 1980, the 22-44 age group increased 50.0 percent. According to OFM forecasts, these trends are expected to continue thru 1982. The 22-44 age group will be about 37 percent of the total population by 1982, up from 35.7 percent in 1980.

1/ The labor force participation rate for any group is the proportion of the group's population who are in the labor force.

TABLE 2

POPULATION BY SEX, AGE AND RACE/ETHNIC GROUPS
(In Thousands)
STATE OF WASHINGTON
1970, 1980 AND PROJECTED 1982

	TOTAL POPULATION 1970	PERCENT OF TOTAL	TOTAL POPULATION 1980	PERCENT OF TOTAL	PERCENT CHANGE 1970-1980	PROJECTED POPULATION 1982	PERCENT OF TOTAL	PERCENT CHANGE 1970-1982
TOTAL POPULATION	3,413.2	100.0	4,130.2	100.0	21.0	4,304.8	100.0	26.1
Sex								
Male	1,695.7	49.7	61.0	49.9	21.5	2,153.0	50.0	27.0
Female	1,717.5	50.3	69.2	50.1	20.5	2,151.8	50.0	25.3
Age Group								
19 and under	1,289.2	37.8	1,303.0	31.5	1.1	1,316.2	30.6	2.1
20-21	124.6	3.6	161.4	3.9	29.5	169.5	3.9	36.0
22-44	978.6	28.7	1,468.0	35.5	50.0	1,588.0	36.9	62.3
45-54	393.2	11.5	393.5	9.5	-0.4	398.7	9.3	1.4
55 and older	627.7	18.4	804.3	19.5	28.1	832.4	19.3	32.6
Race								
White	3,184.3*	93.3	3,710.6*	89.8	16.5	3,863.2	89.7	21.3
Total Minority **	228.9	6.7	419.6	10.2	83.3	441.6	10.3	92.9
Black	71.3	2.1	102.3	2.5	43.5	107.4	2.5	50.6
Native American	33.4	1.0	60.1	1.5	79.9	65.1	1.5	94.9
Asian	44.1	1.3	101.2	2.5	129.5	120.1	2.8	172.3
Other	9.4	.3	36.1	.9	284.0	23.3	.5	147.9
Ethnic Group								
Spanish origin	70.7	2.1	120.0	2.9	69.7	125.7	2.9	77.7

Source: 1970 Census of Population; 1980 Census of Population; 1982 population estimate derived by adjusting upward the 1982 OFM estimate by the difference between the 1980 OFM estimate and the 1980 census total.

* The 1970 and 1980 data for racial groups and Spanish origin persons are not strictly comparable. See page 12 for clarification of racial categories. The 1980 figure for white excludes 66.7 that are included in Spanish origin but are in fact white.

**Includes Spanish Origin.

The 1970 and 1980 data for racial groups and Spanish origin persons as shown on Table 2 are not strictly comparable. The 1970 count was derived from Spanish language, the 1980 count from Spanish origin. In the 1970 census, persons who entered Hispanic categories (such as Mexican and Cuban) in the question on race were classified as white.

In 1980 those of Spanish origin have been estimated and included in the "Total Minority" but subtracted from each race category according to its proportion in the national distribution of Spanish origin population by race. The 1980 counts of population by race and Spanish origin are provisional. Final counts will be determined after the sample data has been processed. Asian Pacific Islanders such as Cambodians and Indo-Chinese were included in the "other" category. Therefore, the "other" category is overinflated, especially with persons who will subsequently be classified as Asian Pacific Islanders.

The racial categories are further clarified as follows:

Race Category	1970 Census	1980 Census
American Indian	American Indian	American Indian, Eskimo, Aleut
Asian & Pacific Islander	Japanese, Chinese, Filipino, Hawaiian, Korean	Japanese, Chinese, Filipino, Hawaiian, Korean, Asian Indian, Vietnamese, Guamanian, Samoan
Other	Eskimo, Aleute, Asian Indian, Vietnamese, Guamanian, Samoan, Cambodian, Indo-Chinese, Pakistani, Indonesian, Fijian	Cambodian, Indo-Chinese, Pakistani, Indonesian, Fijian

TABLE 3

WASHINGTON STATE POPULATION, 1970 AND PROJECTED 1982

	Total		White		Black		Other Nonwhite	
	1970	1982	1970	1982	1970	1982	1970	1982
BOTH SEXES								
Total	3,413,244	4,304,800	3,260,955	3,933,100	71,463	110,800	80,826	260,900
0 - 14	959,481	961,900	908,666	856,300	24,603	31,800	26,212	73,800
15 - 19	330,510	354,300	314,583	319,800	7,471	10,100	8,456	24,400
20 - 24	296,500	414,100	280,196	372,600	8,277	13,400	8,027	28,100
25 - 34	432,869	801,600	412,277	732,800	9,271	21,900	11,321	46,900
35 - 44	374,456	541,800	356,614	498,400	7,735	12,200	10,107	31,200
45 - 64	698,716	784,400	675,294	728,100	11,307	15,600	12,115	40,700
65 and Over	320,712	446,700	313,325	425,100	2,799	5,800	4,588	15,800
MALE								
Total	1,695,784	2,153,000	1,617,943	1,965,900	37,919	58,200	39,922	128,900
0 - 14	490,180	491,000	464,850	437,300	12,263	16,000	13,067	37,700
15 - 19	169,153	181,100	160,682	163,100	4,078	5,300	4,393	12,700
20 - 24	148,936	217,900	139,800	196,200	5,031	7,300	4,105	14,400
25 - 34	218,489	417,800	208,159	380,100	5,064	13,100	5,266	24,600
35 - 44	186,102	272,100	177,833	252,400	4,109	6,200	4,160	13,500
45 - 64	344,673	383,600	332,165	358,000	6,020	7,700	6,488	17,900
65 and Over	138,251	189,500	134,454	178,800	1,354	2,600	2,443	8,100
FEMALE								
Total	1,717,460	2,151,800	1,643,012	1,967,200	33,544	52,600	40,904	132,000
0 - 14	649,301	470,900	443,816	419,000	12,340	15,800	13,145	36,100
15 - 19	161,357	173,200	153,901	156,700	3,393	4,800	4,063	11,700
20 - 24	147,564	196,200	140,396	176,400	3,246	6,100	3,922	13,700
25 - 34	214,380	383,800	204,118	352,700	4,207	8,800	6,055	22,300
35 - 44	188,354	269,700	178,781	246,000	3,626	6,000	5,947	17,700
45 - 64	354,043	400,800	343,129	370,100	5,287	7,900	5,627	22,800
65 and Over	182,461	257,200	178,871	246,300	1,445	3,200	2,145	7,700

TABLE 4

WASHINGTON STATE
1982 POPULATION ESTIMATES
by Major Labor Market Areas

	Preliminary* 1980 Census	Estimated 1982 Population	Percent Change 1980 - 1982
WASHINGTON STATE.....	4,130,163	4,304,800	4.2
Seattle-Everett SMSA.....	1,606,765	1,674,540	4.2
King County.....	1,269,749	1,319,330	3.9
Snohomish County.....	337,016	355,210	5.4
Tacoma.....	485,643	501,720	3.3
Spokane.....	341,835	354,500	3.7
Yakima.....	172,508	178,800	3.6
Kitsap County.....	146,609	156,140	6.5
Clark County.....	192,227	207,000	7.7
Thurston County.....	124,264	135,500	9.0
Balance of State.....	1,060,312	1,096,600	3.4

*"1980 Census of Population and Housing", U. S. Department of Commerce, Bureua of the Census PHC80-V-49 Advance Report.

TABLE 5

POPULATION AND LABOR FORCE, 1970 AND PROJECTED FY 1982, WASHINGTON STATE

	1970						
		WHITE 2/			NONWHITE		
	TOTAL	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL
Population	3,413,244	1,617,943	1,643,012	3,260,955	77,841	74,448	152,289
Resident Civilian Labor Force	1,410,000	858,100	496,300	1,354,400	32,900	22,700	55,600
Employment	1,281,000	786,250	446,300	1,232,550	28,300	20,150	48,450
Unemployment	129,000	71,850	50,000	121,850	4,600	2,550	7,150
Unemployment Rate	9.1	8.4	10.1	9.0	14.0	11.2	12.9

	PROJECTED 1982 1/						
		WHITE 2/			NONWHITE		
	TOTAL	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL
Population	4,304,800	1,965,900	1,967,200	3,933,100	187,100	184,500	371,700
Resident Civilian Labor Force	1,994,200	1,043,300	792,400	1,835,700	87,300	71,200	158,500
Employment	1,837,600	974,000	728,200	1,702,200	73,100	62,300	135,400
Unemployment	156,600	69,300	64,200	133,500	14,200	8,900	23,100
Unemployment Rate	7.9	6.6	8.1	7.3	16.3	12.5	14.6

1/ Because of changes in methodology these projections are not strictly comparable with those appearing in prior publications.

2/ Includes Spanish surname.

C. Descriptions of Major Industry Divisions

Retail and wholesale trade provide the greatest average number of jobs in Washington. Included are all retail and wholesale establishments as well as eating and drinking places. Although sales personnel make up the largest group of employees, there are many managers and supervisors as well as waiters and waitresses.

Government - federal, state and local - is the second largest employer in the state. Many occupations ranging from laborers to highly trained engineers are represented in government employment. Typical of some of the places where government employees work are shipyards, post offices, police and fire departments, health clinics, schools, highways and research laboratories.

The third largest employing sector is made up of the service industries. Nationally, as well as statewide, employment in services has grown rapidly in the last few decades and the trend will continue upward. Services encompass a wide variety of industries such as educational, health, legal, social services, business services, personal services, all kinds of repair shops, hotels, amusement and recreation.

Manufacturing ranks fourth in employment in Washington, but it provides a great variety of jobs. Transportation equipment is the largest segment of our manufacturing category. It is concentrated in the northwestern part of the state with aerospace by far the largest. Lumber and wood products and food processing of all kinds absorb a sizable portion of the manufacturing employment, however, occupations in these industries are seasonal. Other large manufacturing segments include the manufacture of aluminum, fabricated metal products, machinery, paper and allied products, and printing and publishing. Some jobs in mass production are routine and repetitive; others challenge the highest skills of craftsmen and professional workers.

Finance, insurance and real estate includes many "white collar" workers. Clerical occupations are the most common in banks and insurance companies and salesmen predominate in real estate.

Transportation, communication, and utilities includes workers in all forms of transportation and trucking; radio and television stations, and telephone service; electric light and power; gas companies, and sanitary services.

Construction provides a wide variety of jobs for practically every skill level. The term "construction" includes new work, additions and repairs. Jobs are found in all phases of construction including the building of houses, stores, factories, highways, and bridges, etc. Advancement to skilled jobs through on-the-job training, or apprenticeship programs is fairly common in this industry. In many areas of Washington there are layoffs during winter weather.

Mining, a relatively small industry employment-wise in Washington consists principally of the digging of sand and gravel and quarrying. Laborers and machine operators are the predominant occupations.

Agriculture, forestry and fishing provide a variety of jobs, most of which are seasonal in character and unskilled.

3. Employment Developments And Outlook by Industry

A. Industry Trends Between 1976 and 1980

Total employment in Washington State increased 21.8 percent between 1976 and 1980, a rate of employment growth nearly twice that of the nation as a whole. Employment expanded most rapidly from 1977 to 1978, 10 percent, and from 1978 to 1979, 7.1 percent. In 1980, because of the recession and high interest rates, total employment increased by only 1,000 (0.1 percent) to 1,765,000.

Within Washington State, employment in each of the major industry sectors grew at a much greater rate than the national trend over the five years from 1976 to 1980. In the goods producing sector, for example, employment in manufacturing grew 24.3 percent in this state versus 7.2 percent nationally and in construction 35.8 percent versus 25 percent. Among the service producing industries, employment in retail and wholesale trade rose 25 percent in Washington State compared to 15.9 percent nationally; in finance, insurance, and real estate, 34.6 percent versus 20.9 percent; in transportation and utilities, 21 percent versus 12.5 percent; and for all other services, 33.1 percent in the state and 21.9 percent nationally. In terms of the number of wage and salary workers, most new private sector jobs occurred in aerospace, construction, retail and wholesale trade, and services.

Public employment has also expanded more rapidly in this state, in part because of the necessity of providing public services to the state's growing population. Employment in state and local government rose 23.5 percent, more than twice the national average, and federal government employment increased 12.1 percent in this state compared to 4.9 percent nationally.

More than 10 percent of the increase in nonagricultural wage and salary employment which occurred from 1976 to 1980 is directly attributable to the aerospace industry. Aerospace employment grew from 45,000 in 1976 to 79,600 in 1980, an annual rate of 15.3 percent, with employment growing most rapidly, almost 30 percent, from 1977 to 1978. As impressive as these figures are, they understate the total contribution of the aerospace industry to employment and income in

Washington State. Much of the increased employment experienced by other industries, trade and services, for example, would not have occurred but for the vigorous expansion of the aerospace sector.

The strength of the aerospace industry in Washington State is largely attributable to The Boeing Company's dominance of the commercial aircraft market. This market was expanding rapidly through the last half of the 1970's due to the robust growth of the national economy and the resulting increases in air passenger travel. These factors led to orders for new aircraft and, in turn, to more employment in this state's aerospace industry. Following a small increase of 1,100 wage and salary workers from 1976 to 1977, aerospace employment grew by 13,700 in 1978, 12,800 in 1979, and 7,000 in 1980. Although employment in this period did not reach the record level of 106,300 attained in 1968, the jobs added to this sector of the Washington State economy are less likely to be lost because of a downturn in the economy or because of industry-specific problems. With Boeing's large backlog of unfilled orders for its new generation of fuel efficient aircraft and the probability that the company will compete successfully for a share of a growing military budget, employment should be relatively stable for the next several years.

The employment history of the lumber and wood products industry follows closely the pattern of housing starts over the five year period from 1976 to 1980. In 1976 housing starts recovered to 1.5 million units from the depressed levels of 1974 and 1975. Housing starts continued to grow in 1977 and 1978, during which time real gross national product was increasing at an annual rate of approximately five percent and mortgages were readily available at interest rates below ten percent. From a peak of over two million units per year in 1978, housing starts fell through 1979 to a level of less than 1.3 million units in 1980. This decline in residential construction is attributable to the cost and scarcity of mortgage credit.

The close relationship between employment in the lumber and wood products industry and residential construction can be seen clearly in the following table. With mortgage interest rates of about 9 to 9.5 percent and substantial increases in the number of homes and residential units under construction, employment increased from 51,000 in 1976 to 55,100 in 1978. Over the next two years, sharply higher rates of interest led to greatly reduced residential construction and decreases in employment of 1,200 in 1979 and 7,500 in 1980 at which time industry employment stood at 46,400.

EMPLOYMENT IN THE LUMBER AND WOOD PRODUCTS INDUSTRY,
HOUSING UNITS AND INTEREST RATES
1976-1980

	INDUSTRY EMPLOYMENT (THOUSANDS)	HOUSING UNITS STARTED (THOUSANDS	MORTGAGE INTEREST RATE
1976	51.0	1,537.5	8.99%
1977	54.0	1,987.1	9.01
1978	55.1	2,020.3	9.54
1979	53.9	1,745.1	10.77
1980	46.4	1,292.2	12.65

SOURCE: Economic Indicators, April 1981

The health of the lumber and wood products industry in Washington State is especially dependent on housing because approximately half of all softwood lumber and plywood produced is used in new home construction. Another factor which has contributed to the decline of this industry's employment in Washington State has been the shift of softwood lumber and plywood production to the South. In the last twenty years, softwood plywood production in the South has grown from almost nothing to 40 percent of total U.S. output of this product. Owing to these factors, employment in Washington State's lumber and wood products industry has fared poorly in comparison to the industry at the national level, during both good times and bad.

Aerospace and lumber and wood products are both among Washington State's largest and most important basic industries, but with respect to employment growth from 1976 to 1980 they are polar cases. Aerospace expanded 76.9 percent and lumber and wood products fell 9 percent, the greatest decline in percentage or absolute terms. Only two other industries experienced declining employment during this period--apparel and other textile products and railroad transportation, which together lost 900 jobs.

Many of Washington State's smaller industries grew at a good pace between 1976 and 1980. Among the better performers was the electrical equipment industry in which wage and salary employment increased 5,000 or 82 percent. Other basic industries which made significant contributions to employment are printing and publishing, up 3,800, shipbuilding and repair, up 3,500, nonelectrical machinery, up 3,400, and chemicals and allied products, up 2,200.

TABLE 6

RESIDENT CIVILIAN LABOR FORCE AND EMPLOYMENT IN WASHINGTON STATE
ANNUAL AVERAGE 1976-1980, IN THOUSANDS
AND PERCENTAGE CHANGE 1979-1980 AND 1976-1980

	Annual Average					Percentage Change	
	1980	1979	1978	1977	1976	1979 1980	1976 1980
RESIDENT CIVILIAN LABOR FORCE	1,908.0	1,892.0	1,768.0	1,641.0	1,586.0	+0.8	+20.3
EMPLOYMENT	1,765.0	1,764.0	1,647.0	1,497.0	1,449.0	+0.1	+21.8
UNEMPLOYMENT	143.0	128.0	121.0	144.0	137.0	+11.7	+4.4
Percent of Labor Force	7.5	6.8	6.8	8.8	8.6	xxxx	xxxx

NONAGRICULTURAL WAGE AND SALARY WORKERS, PLACE OF WORK, ANNUAL AVERAGE
1976-1980 IN THOUSANDS, AND PERCENTAGE CHANGE 1979-1980 AND 1976-1980

	Annual Average					Percentage Change	
	1980	1979	1978	1977	1976	1979 1980	1976 1980
TOTAL NONAG. WAGE AND SALARY	1,606.5	1,581.2	1,485.6	1,367.0	1,271.4	+1.6	+26.4
TOTAL MANUFACTURING	307.4	309.6	284.7	260.0	247.4	-0.7	+24.3
Durable Goods	220.1	222.3	201.6	177.2	168.4	-1.0	+30.7
Lumber & Wood Products	46.4	53.9	55.1	54.0	51.0	-13.9	-9.0
Furniture & Fixtures	3.4	3.3	3.2	3.0	2.9	+3.0	+17.2
Stone, Clay & Glass Prod	6.7	7.1	6.8	6.5	6.3	-5.6	+6.3
Ferrous Metals	3.8	4.2	3.7	3.3	3.0	-9.5	+26.7
Nonferrous Metals	13.0	13.2	12.7	11.4	11.6	-1.5	+12.1
Aluminum	11.1	11.3	10.9	9.7	9.8	-1.8	+13.3
Fabricated Metal Products	11.1	11.5	10.8	10.1	10.0	-3.5	+11.0
Machinery	26.4	25.1	21.7	19.4	18.0	+5.2	+46.7
Machinery exc. Electrical ...	15.3	15.1	13.5	12.3	11.9	+1.3	+28.6
Electrical Equipment	11.1	10.0	8.2	7.1	6.1	+11.0	+82.0
Transportation Equipment	98.2	93.6	79.8	62.7	59.3	+4.9	+65.6
Aerospace	79.6	72.6	59.8	46.1	45.0	+9.6	+76.9
Ship Building & Repair	12.5	14.3	13.2	10.4	9.0	-12.6	+38.9
Other Transp. Equipment	6.1	6.7	6.8	6.2	5.3	-9.0	+15.1
Other Durable Goods	11.1	10.4	7.8	6.8	6.3	+6.7	+76.2
Nondurable Goods	87.3	87.3	83.1	82.8	79.0	0.0	+10.5
Food & Kindred Products	31.7	32.9	32.8	31.6	30.4	-3.6	+4.3
Canned & Preserved Foods	11.4	11.5	11.6	11.2	11.0	-0.9	+3.6
Apparel & Other Text. Prod	6.5	7.2	7.4	7.4	7.0	-9.7	-7.1
Paper & Allied Products	17.5	15.9	14.0	17.6	17.4	+10.1	+0.6
Printing & Publishing	15.8	15.4	14.0	12.9	12.0	+2.6	+31.7
Chemicals & Allied Products ...	8.7	8.6	7.9	7.3	6.5	+1.2	+33.8
Petroleum & Coal Products	2.1	2.1	2.1	2.0	2.0	0.0	+5.0
Other Nondurable Goods	5.0	5.2	4.9	4.0	3.7	-3.8	+35.1
MINING & QUARRYING	3.2	3.0	2.8	2.3	2.1	+6.7	+52.4
CONTRACT CONSTRUCTION	91.0	104.4	92.7	77.6	67.0	-12.8	+35.8
TRANS., COMM., & UTILITIES	91.2	89.4	83.8	78.9	75.4	+2.0	+21.0
Railroad Transporation	10.0	10.6	10.5	10.4	10.4	-5.7	-3.8
Other Transportation	47.4	46.5	44.3	41.8	39.6	+1.9	+19.7
Communications & Utilities	33.8	32.3	29.0	26.7	25.4	+4.6	+33.1
TRADE	383.6	379.1	357.8	329.0	306.8	+1.2	+25.0
Wholesale Trade	99.8	102.2	95.5	89.1	84.0	-2.3	+18.8
Retail Trade	283.8	276.9	262.3	239.9	222.8	+2.5	+27.4
FIN., INS., & REAL ESTATE	91.8	89.4	83.3	75.0	68.2	+2.7	+34.6
SERVICES & MISCELLANEOUS	308.0	290.8	272.5	249.3	231.4	+5.9	+33.1
GOVERNMENT	330.3	315.5	308.0	294.9	273.1	+4.7	+20.9
Federal	68.4	64.7	63.6	61.9	61.0	+5.7	+12.1
State & Local	261.9	250.8	244.4	233.0	212.1	+4.4	+23.5
(WORKERS IN LABOR-MANAGEMENT DISPUTES)	2.4	3.1	5.6	4.1	2.3	-22.6	+4.3

The success of these primary industries and the state's continuing population growth led to substantial increases in employment in the trade and service sectors, which together account for 57 percent of nonagricultural wage and salary employment growth from 1976 to 1980. The largest increase was in services, 76,600 new jobs; followed by retail trade, 61,000; and finance, insurance, and real estate, 23,600. The trade and service sectors are less susceptible to downturns in the economy and therefore continued to grow through 1980, unlike construction and many of the manufacturing industries.

Table 6 shows the annual average employment by major industry for the years 1976 through 1980.

B. Employment Outlook, Fiscal Years 1981 and 1982*

The rapid expansion which occurred in Washington State's economy in the late 1970's came to an end in 1980 as the national business recession adversely impacted several industries in the state. While total employment in the state rose a remarkable 130,700, or 8.1 percent in Federal Fiscal Year (FFY) 1979, the job gain fell to only 28,300, or 1.6 percent, in FFY 1980. June 1980 saw employment dip below its year-ago total in the state for the first time since 1975. As elsewhere in the nation, high interest rates reduced homebuilding sharply. The drop in the housing industry hit Washington State especially hard, however, since lumber and wood products, the state's second largest manufacturing industry, sells approximately one-half of its output to homebuilders.

Construction employment, which rose 6,600 in FFY 1979, partially on the strength of demand for new homes from a record level of new residents, dropped 6,600 in FFY 1980. Employment in the lumber industry itself was down 6,700 in FFY 1980 and continued its decline into 1981. Aerospace payrolls expanded further, but at a reduced rate as the industry's expansion cycle began to mature.

Employment in the state's trade and service industries posted healthy gains in FFY 1980 buoyed by growth in the goods-producing industries in previous years and by the thousands of new residents who were attracted by the state's expanding economy. Nonetheless, growth margins in the trade and service industries tapered off in 1980. Net migration, which rose from approximately 39,400 in 1975 to 115,700 in 1980 is expected to total only 65,800 in 1981.

In the fifth month of FFY 1981 (February 1981) total employment in the state was 1,600 below its year-earlier level. The employment outlook for FFY 1981 in Washington State is for moderate improvement in the final half of the year as the national economy

* Fiscal Year beginning October 1 and ending September 30.

TABLE 7
RESIDENT CIVILIAN LABOR FORCE AND EMPLOYMENT IN WASHINGTON STATE
FISCAL YEAR AVERAGES, 1980 AND PROJECTED 1981 AND 1982
(in thousands)

	Fiscal Year Averages			Net Change 1981 to 1982	Net Change 1980 to 1981
	1982	1981	1980		
Resident civilian labor force	1,994.2	1,942.2	1,910.6	+52.0	+31.6
Total employment	1,837.6	1,777.1	1,771.6	+60.5	+5.5
Total unemployment	156.6	165.1	139.0	-8.5	+26.1
Percent of labor force	7.9	8.5	7.3	xx	xx

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT IN WASHINGTON STATE
PLACE OF WORK, FISCAL YEAR AVERAGES, 1980 AND PROJECTED 1981 AND 1982
(in thousands)

	Fiscal Year Averages			Net Change 1981 to 1982	Net Change 1980 to 1981
	1982	1981	1980		
Total	1,666.2	1,613.9	1,609.6	+52.3	+4.3
Total Manufacturing	314.8	304.5	310.4	+10.3	-5.9
Lumber and wood products	48.1	45.0	48.1	+3.1	-3.1
Metals and machinery	56.4	54.0	54.7	+2.4	-0.7
Aerospace	81.0	80.3	78.7	+0.7	+1.6
Food products	30.6	30.6	32.2	0.0	-1.6
Pulp & paper products	17.8	17.8	17.5	0.0	+0.3
Other manufacturing	80.9	76.8	79.2	+4.1	-2.4
Construction	101.0	91.0	95.5	+10.0	-4.5
Transportation, communications and utilities	94.6	91.7	91.3	+2.9	+0.4
Trade	401.0	386.0	384.6	+15.0	+1.4
Finance, insurance & real estate ..	98.0	94.0	91.4	+4.0	+2.6
Services and miscellaneous	328.4	316.3	307.8	+12.1	+8.5
Government	328.4	330.4	328.6	-2.0	+1.8

Note: Fiscal year beginning October 1 and ending September 30.

begins to improve. Assuming modest improvement during the remainder of the year, total employment is expected to average 5,500 more than in FFY 1980 (Table 7).

Substantial improvement in homebuilding is not likely because of high interest rates and the high price of new homes. Most forecasts see some easing of interest rates which will permit homebuilding to increase slightly and boost both construction and lumber employment from their low levels in the first half of FFY 1981. Nonetheless, employment in both industries will average less in 1981 than in 1980. Aerospace, the state's largest manufacturing industry will add 1,600 workers to bring its total to 80,300. Most of the growth occurred in the first quarter of 1981. At this point the downside risk is greater than the likelihood of further growth. The possibility of sizable cutbacks in the industry, however, seems remote because of the massive backlog of orders held by The Boeing Company.

Other manufacturing industries should be on an improving trend in the last half of FFY 1981, provided the national economy also improves and increases the demand for products manufactured in the state. Average annual employment in many of these industries will be below 1980 levels, however.

In the state's nonmanufacturing industries, improvement is also expected in the last half of FFY 1981 with the exception of government. Budget stringencies and the termination of 5,700 Public Service Employees (PSE) will result in substantial reductions by year end. PSE jobs were financed by federal funds and provided temporary employment for persons who would otherwise be unemployed. Approximately 3,900 PSE workers held jobs with state and local government agencies, while about 1,800 were employed at nonprofit organizations in the service industry.

Recovery from the recession will gain momentum in FFY 1982. Business and personal tax cuts, a slower rate of inflation which will lead to lower interest rates, and growing confidence of consumers in their future well-being will provide impetus to economic growth both in the state and in the nation. Total employment should advance 60,500 with 10,300 of the new jobs in manufacturing.

Employment in lumber and wood products should at least regain its loss in FFY 1981 with moderate growth in housing starts. Metals and machinery should add 2,400 with new tax incentives for adding new equipment stimulating demand nationally. Growth in other manufacturing will see more jobs for workers in printing-publishing, apparel, chemicals, other durables (instruments), shipbuilding, trucks, trailers, as well as other industries.

In the nonmanufacturing category, construction should add 10,000 workers with more homes being built. Trade (up 15,000) and services (up 12,100) should both expand substantially because of payroll growth generated in the goods-producing sector and

because consumers will spend more discretionary income once economic recovery is underway. Moderate gains can also be anticipated in transportation-communications-utilities and in finance-insurance-real estate, since their growth rates are influenced by trends in general economic conditions. Government is the only industry expected to experience a drop in employment between FFY 1981 and 1982. Losses will result from the elimination of the Public Service Employment Program and stringent state and local budgets resulting, in part, from cutbacks in federal funds for several programs.

Lumber and Wood Products

Employment in lumber and wood products fell 6,700 between FFY 1979 and 1980 and is expected to fall an additional 3,100 in FFY 1981. In FFY 1982 industry employment is expected to add 3,100 to return to its 1980 level.

Payroll trends in the lumber industry mainly depend on the level of activity in homebuilding since approximately 50 percent of all softwood lumber and plywood produced is used in new home construction. The level of homebuilding, in turn, largely depends on demographics, the availability of mortgage funds and the interest rate charged. Exports, mainly to Japan, are also an important factor in Washington State.

Housing starts in the nation averaged about 2.0 million units in calendar 1978 with the new home mortgage rate at 9.8 percent. Employment in the state's lumber industry then averaged about 55,000. With the mortgage rate averaging 13.2 percent in calendar 1980, housing starts dropped to 1.6 million units and lumber employment fell to 46,500. Moreover, housing starts and lumber employment have continued to decline, to a 1.2 million unit annual rate in February 1981 with lumber employment falling to a seasonally adjusted 44,700.

Nonetheless demographics for an increase in housing starts and lumber employment are exceptionally strong. Members of the "baby boom" generation, born between 1947 and 1957, are now between 24 and 34 years of age--ages when people typically purchase homes. Thus potential demand is strong, and the cutback in housing starts in 1980 and 1981 resulting from high interest rates will add to the current shortage of homes to create the largest backlog since the end of World War II. The lumber industry will be hard pressed to meet demand when mortgage funds become available at reasonable rates and homebuilding picks up.

The near-term outlook is not bright, however. Forecasts indicate interest rates will decline only slowly from the final half of FFY 1981 through 1982 which, of course, limits the demand for lumber by the homebuilding industry. In addition, demand for logs and lumber from Japan has declined with that country also experiencing a drop in its homebuilding industry. Log exports

from Washington State fell from 2.686 billion board feet in 1979 to 2.191 billion board feet in 1980, down 18 percent. With some easing of interest rates in the final half of FFY 1981, though, the drop in lumber employment should be limited to 3,100. A further decline in interest rates and an increase in homebuilding in 1982 should see employment in the lumber industry increase 3,100 to return to its FFY 1980 level.

Metals and Machinery

Metals and machinery employment rose 1,800 in FFY 1980. Trends in the initial months of FFY 1981 suggest employment in the industry will decline 700 for the year. However, a turnaround in the national economy is likely to boost payrolls 2,400 in FFY 1982.

Changes in the industry were mixed in FFY 1980. The initial stages of the recession dropped employment in ferrous metals 200 and limited the gain in fabricated metal products to 200. Fabricated metals is dependent to a significant degree on construction activity which declined. Aluminum employment was down 300 in FFY 1980, but the loss was due to a decline in the availability of hydroelectric power which is used in its refining process. Electrical equipment posted a gain of 1,500 due to the staffing of new plants, while nonelectrical machinery payrolls were up 500 in FFY 1980.

The recession is expected to lower ferrous metals employment an additional 300 in FFY 1981 and fabricated metal products payrolls may fall 800. A small loss (100) is likely in nonelectrical machinery, while the gain in electrical equipment may be held to 300. The average workforce in aluminum may be up 100 with hydroelectric power more available and with the industry's market share increasing in cans and automobiles.

FFY 1982 should see gains in all of the industries in the metals and machinery group. Growth in aluminum, however, will depend on the availability of hydroelectric power. Electrical equipment should post the largest gain due to new plant staffing and rehiring by established plants. Fabricated metals will rebound with increased orders from the construction industry. Nonelectrical equipment will benefit by new tax incentives for manufacturers to modernize equipment. Ferrous metal will also benefit strongly from recovery in the national economy.

Aerospace

Aerospace employment grew at a phenomenal pace from 1976 through 1980, reminiscent of the 1960's. Unlike that period, however, the current buildup is not likely to end in massive layoffs. Aerospace payrolls rose from 44,500 in July and August of 1976 to 81,300 in January 1981, based largely on orders from airlines. While air traffic has been hurt by the recession, The Boeing

Company entered 1981 with a backlog of over $20 billion. Most of the orders represent the need for the firm's new fuel-efficient aircraft.

Boeing expects a stable workforce in 1981, but moderate reductions could occur if low airline profits force the postponement of deliveries. Aerospace employment fell 1,000 between January and March 1981, however, industry employment should average about 1,600 more in FFY 1981 based on growth that occurred during the first quarter. An additional gain of 700 is forecast for FFY 1982. The new administration's emphasis on defense spending should benefit the industry.

Food Products

Employment in the food industry dropped 500 in FFY 1980 with the closure of two sugar refineries and a brewery in 1979. An additional loss of 1,600 is likely in FFY 1981 due to the closure of less efficient operations. No change in the industry workforce is anticipated in FFY 1982.

It should be noted, however, that employment comparisons in the industry can sometimes be misleading because of the volatile nature of employment. For example, if the peak of processing activity for a major crop occurred in the week including the twelfth of the month last year (the week for which the employment estimates are made) and misses that week this year, the year-to-year comparison would show a drop of several thousand. The comparison of annual averages would be less affected, but it would be influenced.

Pulp and Paper Products

Pulp and paper products employment rose 3,700 in FFY 1980. The gain represented a return to a near normal operating level following widespread labor-management disputes in the previous year. Operations have been hampered to some degree by a shortage of wood chips because of shutdowns at sawmills, and temporary closures were beginning to occur in the second quarter of FFY 1981 because of weakening demand for paper products. Nonetheless, industry employment is expected to increase 300 to an average of 17,800 in FFY 1981 provided national economic conditions begin to improve in the last half of the year. The demand for paper for containers is understandably tied closely to general business conditions. However, no further increase is anticipated in FFY 1982 even though it is assumed that the national economy will be improving. It is likely new industry capacity will occur in the South because pulp wood prices are lower there than in the Pacific Northwest.

Other Manufacturing

The largest industries in this group are shipbuilding-repair, printing-publishing, apparel, and chemicals. Others include

stone-clay-glass products, other transportation equipment (rail cars, trucks, trailers, etc.), petroleum and coal products, and instruments.

Employment in this group was virtually unchanged between FFY 1979 and 1980 although trends in individual industries were mixed. Higher employment was noted in instruments because of the staffing of new plants. Printing and publishing payrolls rose in response to a growing population. Minor gains were credited to chemicals and furniture. Shipbuilding was lower due to less demand for pleasure boats and fewer commercial and government contracts. The pleasure boat market has been especially weak because of the high price of fuel and high interest rates. The recession also caused the demand for trucks, trailers, and rail cars to decline.

Even with improvement in the national economy, a loss of 2,400 can be expected in the other manufacturing groups in FFY 1981. The recovery should strongly stimulate activity in this diverse group in FFY 1982. Growth should be exceptionally strong in instruments, industrial trucks and trailers, and printing-publishing. Employment is expected to move up 4,100.

Contract Construction

Construction employment fell 6,600 between FFY 1979 and 1980 and is expected to fall an additional 4,500 in FFY 1981 before advancing 10,000 in FFY 1982. Approximately 2,000 of the loss in FFY 1980 was due to a major labor dispute which was not settled until the end of the first quarter of FFY 1981 (December 1980). The dispute involved over 5,000 workers employed on the construction of nuclear power plants on the Hanford Energy Reservation. Also putting pressure on construction employment, homebuilding activity plummeted in Washington State as it did elsewhere in the nation because of high mortgage interest rates and the rising cost of new homes. Housing units authorized in the state dropped from approximately 66,800 in 1978 to 56,700 in 1979 and to 36,200 in 1980, despite substantial inmigration and rising potential demand for new homes.

Homebuilding activity is likely to show only minor improvement in the remainder of FFY 1981 because of continuing high interest rates. Assuming a moderate decline in rates in FFY 1982, homebuilding should post a noticeable increase. The 1978 and 1979 levels will not be reached because mortgage rates are still expected to be significantly higher than in those years. The outlook for commercial construction is more favorable. Work is now underway on a $69 million contract to build pontoons to replace a portion of the Hood Canal Floating Bridge, which was destroyed in a 1979 storm. Completion of the new section of bridge is scheduled for the fall of 1982 with 500 workers employed at peak periods. Construction on a copper and molybdenum mine and mill on the Colville Indian Reservation in eastern Washington is expected to get underway sometime in 1981.

Construction employment on the project will eventually reach a peak of 1,500 with a permanent (nonconstruction) workforce of 800. Construction of a coal-fired electric generating plant is expected to begin in 1982 in Lincoln County. A peak of 1,000 construction workers will be employed on this project.

Transportation, Communications and Utilities

Employment in this group rose 3,100 in FFY 1980 despite a drop in railroad employment resulting from the permanent shutdown of the Washington State operations of the Milwaukee Railroad. With nearly all transportation functions adversely affected by less business activity, employment is expected to show little change in FFY 1981 as moderate growth in communications and utilities is offset by losses in transportation. FFY 1982, however, should see renewed growth in transportation as general business activity picks up. A gain of 2,900 is forecast.

Trade and Services

Trade employment advanced 11,600 in FFY 1980 while the services group added 18,100. Growth in trade, however, declined sharply because of the recession. In the previous year, wholesale and retail outlets posted a gain almost twice as large (22,100). Growth in the services group was also higher in the previous year (19,700).

At the beginning of FFY 1981, trade employment slipped below its year-earlier level for the first time since 1971. Reduced population growth, payroll losses in the goods-producing industries and the effect of inflation on purchasing power have all limited sales. Higher gasoline prices have, of course, had a noticeable impact on the sale of recreational vehicles. Many consumers have postponed the purchase of new cars even though new models are more fuel efficient. Some consumers are less confident about the tenure of their employment and have delayed purchases.

With improvement in the economy during the last half of FFY 1981, trade employment could recover sufficiently to post a gain of 1,400 for the year. FFY 1982 should see an increase of 15,000 because of growth in payrolls in the goods-producing industries, a lower rate of inflation, and increased consumer confidence.

Growth in the services industries is expected to fall from 18,100 in FFY 1980 to 8,500 in FFY 1981. Employment in this group has rarely declined during recessions because medical services is its largest single component. Because of a growing population, the spread of prepaid and government paid medical and dental care, and an increasing number of older persons in the population, employment in medical services has advanced in good times and bad. Other segments of the industry such as hotels-motels, amusement establishments, and personal and business services are affected by recessions. This will result in a lower growth rate

for the services group in FFY 1981. The growth rate will accelerate in FFY 1982 with improvement in general business conditions. However, the elimination by the end of FFY 1981 of approximately 1,800 federally funded Public Service jobs held by individuals employed by nonprofit organizations will limit the gain in FFY 1982 to 12,100.

Finance, Insurance and Real Estate

Employment growth in finance, insurance, and real estate fell to 3,300, or 3.7 percent, in FFY 1980 from 6,600, or 8.1 percent, in FFY 1979. The slowdown of the industry's rate of expansion resulted entirely from losses in real estate employment. Real estate firms were hard hit by high mortgage rates and the increasing cost of homes which, of course, curtailed demand considerably. Only moderate, if any, relief is seen for the remainder of FFY 1981 because of continuing high interest rates. Improvement is expected in FFY 1982 with rates expected to moderate. Increased consumer confidence in the economy should also help boost home sales then.

Positive factors influencing the employment expansion in this industry in both FFY 1981 and 1982 will be additional branch banking, continued growth in health insurance coverage, and the increased popularity of private pension plans and Individual Retirement Accounts. Employment in finance, insurance, and real estate should move up 2,600 in FFY 1981 and 4,000 in FFY 1982.

Government

Government employment posted a gain of 18,000 in FFY 1980 but is expected to increase only 1,800 in FFY 1981 and is projected to fall 2,000 in FFY 1982. Lower public primary and secondary school enrollments, the elimination of Public Service Jobs, and cuts in federal funds for education and other programs in FFY 1982 will account for the reversal in government employment trends.

Approximately 5,700 Public Service Employees are expected to lose their federally-funded jobs by the end of September 1981. About 1,800 persons work at private, nonprofit establishments in the service industry while the remainder are employed at state and local government agencies. Around 180 Employment Security Department workers who administer the program will also see their jobs disappear. The national administration's proposed budget for FFY 1982 calls for a variety of funding cutbacks in education and social programs administered on the state and local level. In addition, the recession has adversely impacted state tax receipts which will result in further reductions in government employment.

TABLE 8
SELECTED OCCUPATIONS OF APPLICANTS AND JOB OPENINGS LISTED WITH
THE WASHINGTON STATE EMPLOYMENT SECURITY DEPARTMENT
April 30, 1981

	Total*	Female	Veterans	Age		Minority	Total Unfilled Openings	Unfilled 30 Days or More	Ratio of Applicants to Unfilled Openings
				Under 22	45 + Older				
Total	64,753	30,090	17,930	9,027	7,925	10,025	5,190	2,445	12.5
Professional, Technical & Managerial	7,046	3,020	2,529	215	1,237	976	1,043	676	6.8
Architecture and Engineering	361	38	210	9	61	39	106	72	3.4
Mathematics and Physics	58	16	24	2	14	9	51	43	1.1
Life Sciences	263	117	92	5	43	59	8	5	32.9
Medicine and Health	473	396	83	33	64	62	135	94	3.5
Education	245	144	60	3	46	33	12	8	30.6
Writing and Art	21	7	8	1	4	3	4	3	5.3
Administrative Specializations	800	335	315	8	185	76	69	31	25.8
Managers and Officials	455	149	184	20	68	25	23	8	19.8
Misc. Professional-Tech., Managerial	170	97	49	3	37	36	2	0	85.0
Clerical and Sales	15,020	12,014	2,022	2,062	1,812	2,219	1,486	493	10.1
Steno, Typing, Filing	3,949	3,726	316	523	459	697	460	138	8.6
Computing and Account Recording	3,408	3,020	308	430	468	399	200	50	17.0
Material and Production Recording	168	60	77	29	10	37	7	5	24.0
Information and Message Distribution	853	803	48	149	94	136	68	14	12.5
Miscellaneous Clerical	358	317	41	35	41	95	8	3	44.8
Salespersons Service	110	43	41	1	24	11	36	28	3.1
Salespersons Commodities	774	375	181	117	107	89	73	21	10.6
Merchandising	850	554	121	188	93	95	88	23	9.7
Service Occupations	12,726	8,895	1,933	2,250	1,610	2,343	1,001	338	12.7
Domestic	673	650	31	42	139	166	34	12	19.8
Food and Beverage	3,184	1,735	614	716	373	425	362	134	8.8
Lodging	327	310	9	54	50	80	42	15	7.8
Barbering and Cosmetology	221	200	19	9	20	29	8	4	27.6
Miscellaneous Personal	1,247	1,148	97	156	105	316	36	12	34.6
Apparel and Furnishings	61	49	7	3	8	14	10	2	6.1
Protective	405	70	246	44	63	55	27	9	15.0
Building and Related Service	742	161	211	163	91	178	29	11	25.6
Agricultural, Fishery, Forestry	2,870	478	709	607	390	702	157	80	18.3
Plant Farming	111	38	13	21	24	62	0	0	---
Forestry	164	52	31	31	6	23	7	3	23.4
Processing	1,318	576	328	174	181	287	126	88	10.5
Metal	32	5	14	7	2	9	0	0	---
Ore Refining and Foundry	23	2	14	2	2	2	0	0	---
Food and Tobacco	429	290	50	61	68	118	99	71	4.3
Chemicals, Rubber, and Paper	27	11	10	2	6	4	3	0	9.0
Machine Trades	4,176	366	2,078	429	497	453	385	288	10.8
Metal Machining	302	19	141	24	33	33	144	137	2.1
Metal Working	36	1	17	1	2	6	2	0	18.0
Mechanics and Repairmen	1,381	39	828	126	182	114	89	42	15.5
Wood Machining	57	4	24	3	8	4	2	1	28.5

TABLE 8 (Continued)
SELECTED OCCUPATIONS OF APPLICANTS AND JOB OPENINGS LISTED WITH
THE WASHINGTON STATE EMPLOYMENT SECURITY DEPARTMENT
April 30, 1981

	Total*	Female	Veterans	Age		Minority	Total Unfilled Openings	Unfilled 30 Days or More	Ratio of Applicants to Unfilled Openings
				Under 22	45 + Older				
Bench Work	1,879	1,020	449	175	246	432	133	48	14.1
Assembly, Scientific	27	13	10	2	3	3	3	0	9.0
Assembly, Elgctric	292	169	70	28	32	62	31	18	9.4
Painting and Decorating	71	7	39	5	5	9	0	0	---
Assembly, Textile	314	289	11	20	70	142	34	5	9.2
Structural Work	8,017	368	3,927	933	788	874	447	280	17.9
Metal Fabricating	366	29	188	37	36	54	86	81	4.3
Welders, Flame Throwers	374	15	223	29	43	41	4	2	93.5
Electrical	461	16	351	17	58	48	85	73	5.4
Painting and Plastering	376	21	141	35	39	41	14	3	26.9
Excavating and Grading	387	7	211	23	64	34	4	2	96.8
Construction, NEC	2,419	72	1,058	354	202	218	84	31	28.8
Structural Work, NEC	384	11	214	37	92	38	22	11	17.5
Miscellaneous	7,743	1,091	3,241	1,198	822	972	407	153	19.0
Motor Freight	1,676	89	921	136	217	138	23	13	72.9
Transportation, NEC	464	126	148	125	43	64	44	23	10.5
Packaging	1,739	414	500	417	117	227	104	47	16.7
Utilities	47	3	31	1	9	7	3	1	15.7
Uncoded	359	170	86	49	49	78	5	1	---
New Unskilled Entrants	3,599	2,092	628	935	293	689	0	0	---

*Totals will not add because not all occupations are included.

4. Employment Developments and Occupational Outlook

Between October 1, 1980 and April 30, 1981, 64,753 individuals were listed in the active application files of the Washington State Employment Security Department (Table 8). This was a gain of 260 over the year ago total of 64,493. The number of women applicants increased 1,129 but minority applicants declined by 856. As in previous years the clerical and service occupations had the greatest numbers of applicants, 15,200 and 10,900 followed by structural work with 8,200.

Occupational employment demand can be measured in part by counts of total unfilled job openings registered through the Employment Security Department. At the end of April 1981 there were 5,190 reported unfilled openings compared with 9,072 the previous year. Of those, 2,455 (47 percent) were unfilled for 30 days or more compared to 4651 (51.3 percent) one year ago. The reduction was spread throughout all major occupational categories. Increased competition for jobs is reflected in the ratio of applicants to unfilled jobs - 7.0 in 1980 and 12.5 in 1981.

During 1980 the Employment Security Department began the first of a series of long term occupational projections from 1979 - 1987 using Occupational Employment Statistics (OES) data. Under the OES program industries are surveyed over a three-year period. In this statewide survey, manufacturing, hospitals and federal government were completed. During the next two years the remaining industry sectors will be covered.

The 1980 manufacturing and hospital survey sampled 90 percent of covered employment in those industries. The federal government estimates were compiled from data furnished by the Bureau of Labor Statistics.

The OES report is in two parts: profiles of staffing patterns by industry (after checks for confidentiality) at the 2 digit and 3 digit SIC coding level, and occupational projections from 1979 to 1987 using the survey data and independent industry employment projections. The 1980 reports are available for 30 areas with some of the smaller areas combined. In 1981 each county will be surveyed separately and reports provided contingent on the funding level.

The occupational estimates refer to only covered nonagricultural wage and salary employment. Self employed and unpaid family workers are not accounted for in the data. Annual average job opening data include openings due to labor force separations because of death, retirement, or other reasons. Replacement demand that results when workers change occupations is not covered.

Table 9 is an excerpt from the Occupational Projections 1979-1987, Washington State listing the main occupational categories in manufacturing, hospitals and federal government

TABLE 9

EMPLOYMENT AND JOB OPENINGS BY MAJOR OCCUPATIONAL CATEGORIES
MANUFACTURING, HOSPITALS AND FEDERAL GOVERNMENT ONLY
1979 AND ESTIMATED 1982

	EMPLOYMENT				AVERAGE ANNUAL JOB OPENINGS		
	1979		Estimated 1982		Estimated 1982		
	Employment	Percent	Employment	Percent	Total Job Openings	Percent of Total	Percent of Employment
Total All Occupations	417,350	100.00	439,390	100.00	19,775	100.00	4.50
Professional and Technical	76,770	18.40	81,750	18.60	3,636	18.38	4.45
Managers and Officers	35,810	8.58	37,900	8.62	2,023	10.23	5.34
Sales Workers	6,140	1.47	6,540	1.49	352	1.78	5.38
Clerical Workers	60,300	14.45	63,380	14.42	3,071	15.53	4.85
Craft Workers and Supervisors	73,440	17.60	76,780	17.47	3,181	16.08	4.14
Operatives	111,740	26.77	117,750	26.80	5,003	25.30	4.25
Service Workers	21,340	5.11	22,700	5.17	1,468	7.42	6.47
Laborers Except Farm	31,680	7.59	32,450	7.38	1,036	5.25	3.19
Farm Workers	130	0.03	140	0.03	5	0.03	3.57

Note: Detail counts may not sum to totals due to rounding.

Source: Occupational Employment Statistics Projections.

1982 estimates are an interpolation between 1979 and 1987 projections.

employment for 1979 and estimated 1982 employment and indicating the average annual number of job openings expected in 1982.

The greatest demand in terms of numbers will be in the "operative" occupations which is the largest of the classifications in this survey. These are semi-skilled and unskilled occupations found in many industries. By far the largest occupational group in this category is the assembler with an estimate of approximately 1,100 job openings for 1982. The second largest operative category with 840 openings is metalworking, representing all kinds of machine operators in a wide variety of industries.

The projections for 1982 indicate that the following listed occupations are expected to have 200 or more job openings:

Managers and Officers	1,678
Nurse, Professional	851
All Other Laborers	643
Electrical/Electronic Assembler	459
General Clerk	437
All Other Semi-skilled Workers	391
Secretary	344
Supervisor, Nonworking Except Service	328
Licensed Practical Nurse	301
Welders and Flamecutters	300
Sales Representative	287
Postal Mail Carrier	280
Aircraft Structure/Surface Assembler	268
Inspector	259
All Other Technicians	258
Nurse Aide/Orderly	245
All Other Office Clerical Worker	242
Machinest	207

5. Trends in Unemployment

Total unemployment increased in Washington State as it did in the nation in 1980. Employment growth was reduced by the recession and fell short of providing sufficient jobs for new entrants to the labor force. Layoffs, of course, were another factor. The increase in the jobless rate between 1979 and 1980 in the nation, 5.8 to 7.1 percent, was greater than that of this state, 6.8 to 7.5 percent. By February, 1981, however, the year-to-year increase in Washington State was not statistically different from that of the nation.

In spite of the recession, the early months of 1980 in Washington State saw some employment expansion:

- Aerospace employment continued to expand.
- Trade and service industries built upon expansions in the goods-producing sector in previous years continued to grow.
- Log exports to Japan cushioned a declining demand for lumber products domestically.

By the fall of 1980:

- Aerospace employment leveled off.
- Trade employment stopped growing.
- Log exports to Japan fell off as that country also began experiencing a decline in housing starts.

Barring unforeseen future developments, however, unemployment probably peaked in the state in early 1981. For Federal Fiscal Year (FFY) 1981, a jobless rate of 8.5 percent is probable, up from 7.3 percent in FFY 1980. With improvement assumed in the national and state economy, the state's jobless rate should fall to 8.0 percent in FFY 1982.

TABLE 10

ANNUAL AVERAGE TOTAL UNEMPLOYMENT RATES IN WASHINGTON STATE AND THE UNITED STATES 1970 - 1980

Year	Washington State	United States
1980	7.5	7.1
1979	6.8	5.8
1978	6.8	6.0
1977	8.8	7.0
1976	8.6	7.7
1975	9.5	8.5
1974	7.2	5.6
1973	7.9	4.9
1972	9.5	5.6
1971	10.1	5.9
1970	9.2	4.9

The unemployment rate in Washington State has consistently been above that of the nation. Taken alone this comparison might lead to erroneous conclusions. Employment growth in the state has also been greater than in the nation. Between 1970 and 1980, total employment in the state rose over 37 percent versus a gain of 24 percent for the nation. The state's higher growth rate has attracted thousands of job seekers from other states. The vast majority of these individuals eventually find jobs in the state. However, inmigration does raise the state's jobless rate.

Because of a higher growth rate, Washington State also has a higher proportion of its employment in construction than does the nation. In 1980 approximately 4.9 percent of the nation's payroll employment was in construction. In Washington State, construction required nearly 5.7 percent of all wage and salary workers to provide new homes, factories, power plants and other facilities for its growing population. Because of seasonal shutdowns, construction workers have a higher incidence of unemployment than do most workers. This further accounts for the higher jobless rate in Washington.

Another factor which partially contributes to the state's higher unemployment rate is its lumber industry. Lumber and wood products is the state's second largest manufacturing industry and provides jobs for over 15 percent of its manufacturing workforce. Forests in Washington are of enormous value and will continue to be, since they are a renewable natural resource. The lumber industry, like construction, though, is highly seasonal in this state. Shutdowns are common in winter months when snow prevents logging at higher elevations and frozen logs force mills to curtail production.

Despite relatively higher unemployment, per capita personal income in Washington State is also well above the national average. Only seven states were credited with a higher average in 1980. Washington State averaged $10,363 versus $9,458 for the nation. Thus, the fact that Washington has a higher unemployment rate than the nation paradoxically results from a growing state economy and an enviable natural resource.

Average annual unemployment in Washington State rose from 6.8 to 7.5 percent between calendar 1979 and 1980. The general trend was up throughout the state. Most of the few counties credited with declining rates have agriculturally oriented economies, such as Adams (8.8 to 8.3 percent), Grant (11.2 to 10.6), Kittitas (9.0 to 8.2), Whitman (4.1 to 2.7) and Yakima (9.8 to 9.6). An exception was Kitsap County where the jobless rate slipped from 6.1 to 5.8 percent. Continuation of work on the huge Trident Submarine Base was the likely reason for the decrease.

Counties where lumber and wood products is the major industry experienced sharply higher rates in 1980. Examples are Grays Harbor (8.1 to 10.3), Pacific (8.6 to 11.5), Clallam (9.4 to 12.8) and Wahkiakum (7.2 to 11.1). In the state's metropolitan

areas the trend was also up, but moderately in most cases. In the Seattle-Everett SMSA, the jobless rate rose from 5.3 to 6.0. Spokane's rate moved from 6.8 to 7.6, while Tacoma's rate was nearly unchanged, 7.4 in 1979 versus 7.5 in 1980.

In the Richland-Kennewick-Pasco Metropolitan Area, the rate jumped from 6.6 to 9.5 percent due to the secondary effects of the long labor dispute involving over 5,000 construction workers at the Hanford Energy Reservation. Yakima was the only metropolitan area with a lower jobless rate in 1980 than in 1979. The rate slipped from 9.8 to 9.6 percent with the area's agricultural activities little affected by the downturn in the national economy.

6. Estimate of the Needs for Employment and Training Services

There is no single estimate of the number of different individuals who could potentially use employment and training services offered through the Washington State Employment Security Department. However, data on the new job applicant intake at job service centers, and estimates of individuals who work part-time for economic reasons, persons receiving welfare benefits, and the number of economically disadvantaged provide indications of the magnitude of the need for employment and training services. These are not mutually exclusive groups and there is considerable overlap, but the number requiring job-related services is greater than the number in any one group. The types of services required by job applicants vary dramatically between individuals. Those individuals who are established in the labor market and have considerable work experience and appropriate training usually need only referral to a job. Disadvantaged individuals often lack suitable employment because of age, race, minority group status, lack of education, or a physical or mental handicap. These persons frequently require counseling, skill training, basic education, and medical services as well.

One labor force and work load indicator that provides evidence of the need for employment and training services is the total job applicant intake through job service centers. The total number of new job applicants dropped from 279,762 in FFY 1979 to 274,389 in FFY 1980. During the first half of the current fiscal year, new applicants at job service centers totaled 116,447 compared to 136,400 for the same period one year ago. The decline in numbers of job applicants over the year may partially be attributable to individuals dropping out of the labor force as jobs become more scarce. Some teenagers, women and older workers, whose income is supplemetal, give up the work search for a period of time rather than to compete in a tight labor market.

In addition, the increasing number of unemployed together with Federal budget restrictions are bringing about a changing philosophy in the Employment Security Department. It has been necessary to concentrate placement efforts on those individuals who can be helped and on those with the greatest need for assistance.

Others are being given basic tools needed to search for their own jobs. Approximately 60 percent of job holders get their jobs by applying directly to employers or through friends or relatives rather than use the employment service.

It is estimated that the total average unemployment for 1982 will be 156,600. This is 8,500 under the 1981 average projection (Table 7). As a result of the lower unemployment, the total number of different individuals projected to be unemployed for varying time periods during 1982 is 469,800, down from the 1981 estimate. Duration of unemployment for the period October 1, 1980 - February 28, 1981 may be found on Table 18 - page 48.

The 1982 projection indicates that approximately 340,000 residents of the state age 14 and over will have incomes below the poverty levels established by the Office of Management and Budget. (Table 11). About 76,800 of those are over age 55. Many of them are elderly or have serious health problems which preclude employment while others can raise their income above the poverty level through suitable employment. An estimated 96,900 public assistance recipients in Washington State may require some form of employment-related services during FY 1982. This figure includes 69,000 who are expected to be on the non-assistance food stamp program (page 43).

The funding for CETA Titles II-D and VI (Public Service Employment) will be terminated as of September 30, 1981. Funding remains available for the youth and the adult services programs at least through September 30, 1982.

According to the estimates of CETA eligibility, based on labor force characteristics using the March 1980 Current Population Survey (CPS), there were 335,000 persons potentially eligible for CETA programs in 1980.1/ This was 11.0 percent of the total civilian non-institutional population aged 14 and over. Based on those latest data, it is estimated that approximately 368,700 persons will be eligible for CETA programs in 1982. Following are projections for FFY 1982 by program: These figures are not mutually exclusive.

Summer Youth Employment Program	(SYEP)	113,800
Youth Employment and Training Program	(YETP)	67,000
Youth Community Conservation and Improvement Projects	(YCCIP)	36,800
Adult Services	(Title II-B & Title VII)	297,900

Tables 12 and 13 show the demographic characteristics of CETA eligibles.

1/ These estimates of CETA eligibles are not strictly comparable to previous estimates since the definitions of eligibility have been slightly modified to produce more accurate information.

TABLE 11

BASIC PLANNING TABLE
FISCAL YEAR 1982, WASHINGTON STATE

		Total Population Planning Year 1982	Estimated number of persons potentially Eligible for CETA Programs	Estimated number of persons unemployed for 15 weeks or more	Estimated number of persons 14 and over whose family income is less than OMB poverty guidelines	Number of persons receiving AFDC or State General Assistance
Total, for Area:		4,304,800	368,700	130,320	340,050	89,081
DEMOGRAPHIC GROUPS						
Sex	Male	2,153,000	144,180	75,360	122,550	22,908
	Female	2,151,800	224,520	54,960	217,500	66,173
Age	19 and Under	1,316,200	108,960	19,040	65,940	20,355
	20 - 21	169,530	39,620	12,980	25,540	7,197
	22 - 44	1,587,970	134,280	85,380	147,180	54,904
	45 - 54	398,660	25,310	8,640	22,760	4,543
	55 and Over	832,440	60,530	4,280	78,630	2,082
Race/ Ethnic Group	White (not including Hispanic)	3,863,200	283,270	100,000	262,480	70,716
	Black (not including Hispanic)	107,400	27,440	9,950	24,510	8,295
	Hispanic	125,700	26,730	8,590	24,620	3,887
	American Indian or Alaskan Native	65,100	11,810	4,140	10,840	3,354
	Asian or Pacific Islander	120,100	19,430	7,630	17,580	2,060
	Other	23,300	20	10	20	166
	INA	---	---	---	---	603

TABLE 12

DEMOGRAPHIC CHARACTERISTICS
OF PERSONS ELIGIBLE FOR CETA PROGRAMS
TITLE II-B AND TITLE VII
WASHINGTON STATE

Demographic Group	Estimated Percent of Persons Eligible for CETA Programs	
	C.P.S. Statewide	ESARS Statewide
Sex		
Male	40.6	57.2
Female	59.4	42.8
Age		
19 and Under	19.6	14.4
20 - 21	7.0	9.9
22 - 44	45.0	65.8
45 - 54	8.1	6.6
55 and Over	20.3	3.3
Race/Ethnic Group		
White (Not Hispanic)	83.8	75.3
Black (Not Hispanic)	5.2	8.3
Hispanic	4.1	7.6
American Indian or Alaskan Native	(6.9)	3.1
Asian or Pacific Islander	( )	5.7
Veterans Status		
Vietnam era	---	9.2
Other veterans	---	14.3
Non veterans	---	76.5
Family Status		
Parent in 2 parent family	19.6	---
Single parent	26.2	---
Other family member	32.1	---
Non dependant individual	22.1	---

The general program eligibility requirements and the sources of the indicated percentage distributions are as follows:

Title II-B and Title VII: a person shall be (1) economically disadvantaged; and (2) unemployed, underemployed, or in school. ESARS percentages for Title II-B and VII represent the distribution of economically disadvantaged applicants from the state tabulations of the Employment Security Automated Reporting System. C.P.S. percentages are based on the Current Population Survey state distribution of persons eligible for Title II-B and VII. The two sources of demographic information differ in that the C.P.S. data come from a household survey whereas the ESARS data originate from Job Service Center applicants.

TABLE 13

DEMOGRAPHIC CHARACTERISTICS
OF CETA ELIGIBLE YOUTH BY PROGRAM TITLE
WASHINGTON STATE

Demographic Group	Estimated Percent of Persons Eligible in Area for:* SYEP*		YETP*		YCCIP*	
Sex						
Male	57.9	27.9	57.9	27.9	57.0	44.1
Female	42.1	72.1	42.1	72.1	43.0	55.9
Age						
14 - 15	5.7	22.3	---		---	
16 - 19	53.5	47.6	56.8	63.9	100.0	100.0
20 - 21	40.8	30.1	43.2	36.1	---	
Race/Ethnic Group						
White (Not Hispanic)	76.7		76.7		84.5	
Black (Not Hispanic)	7.8		7.8		4.5	
Hispanic	6.8		6.8		6.0	
American Indian or Alaskan Native	3.0		3.0		1.9	
Asian or Pacific Islander	5.7		5.7		3.1	

For general information purposes only, the eligibility requirements and the sources of the percentage distribution for each program are as follows:

SYEP (Summer Youth Employment Program): A youth must be (1) at the time of application, economically disadvantaged; and (2) at the time of enrollment, 14 through 21 years of age inclusive. Underlined percentages derived from the disadvantaged youth provided on the special ESARS tabulations of applicant characteristics by county. Nonunderlined percentages are from the CPS state distribution of youth eligible for SYEP.

YETP (Youth Employment and Training Program): a youth must be economically disadvantaged or (1) be unemployed or underemployed or in school; and (2) be 16 through 21 years of age inclusive, and (3) be a member of a family with a total family income at or below 85 percent of the Lower Living Standard Income Level. Underlined percentages were derived from data on total economically disadvantaged youth provided on the special ESARS tabulations of applicant characteristics by county. Nonunderlined percentages are from the CPS state distribution of youth eligible for YETP.

YCCIP (Youth Community Conservation and Improvement Projects): A youth must be (1) 16 through 19 years of age, inclusive, and (2) unemployed. Underlined percentages were derived from the total youth (16-21) applicant column on the county tabulation of ESARS data. Nonunderlined percentages are from the CPS state distribution of youth eligible for YCCIP.

*The two sources of demographic information differ in that the C.P.S. data come from a household survey whereas the ESARS data originate from Job Service Center applicants. The CPS data are underlined.

Approximately 60,500 individuals age 55 and over are estimated to be eligible for CETA. Of those, nearly 20,000 are 65 or older. As fixed incomes fail to keep up with the rate of inflation, more of those in the upper age bracket are finding themselves at or below poverty level and, therefore, meeting the CETA requirements. The CPS does not ask any questions directly about CETA eligibility. In order to produce these estimates it was necessary to determine CETA eligibility from the responses to certain questions in the survey.

7. Characteristics of the Economically Disadvantaged

As defined by the federal government, an economically disadvantaged individual is:

a. A member of a family which receives public assistance
b. A member of a family whose income during the previous 6 months on an annualized basis was such that:

    1) The family would have qualified for public assistance if it had applied for such assistance or
    2) It does not exceed the poverty level or
    3) It does not exceed 70 percent of the lower living standard income level.

c. A foster child on whose behalf state or local government payments are made
d. A person whose status presents significant barriers to employment:

    1) A client of a sheltered workshop
    2) A handicapped individual
    3) A person residing in an institution or facility providing 24 hour support such as a prison, a hospital or community care facility or
    4) A regular outpatient of a mental hospital, rehabilitation facility or similar institution

The lower living standard income levels (Table 14) are from information provided by the Bureau of Labor Statistics. Poverty income levels (Table 15) are established by the federal Office of Management and Budget. Criteria are revised each year.

TABLE 14

SEVENTY PERCENT OF THE LOWER LIVING
STANDARD INCOME LEVEL GUIDELINES
WASHINGTON STATE, 1981

AREA	FAMILY SIZE 1	2	3	4	5	6	EACH ADDITIONAL
King-Snohomish Consortium	(3,950)	6,480	8,890	10,980	12,950	15,150	2,200
Spokane Consortium	(3,750)	6,140	8,430	10,410	12,290	14,370	2,080
Clark County	(3,750)	6,140	8,430	10,410	12,290	14,370	2,080
City of Tacoma	(3,750)	6,140	8,430	10,410	12,290	14,370	2,080
Balance of Pierce County	(3,750)	6,140	8,430	10,410	12,290	14,370	2,080
Snohomish County	(3,950)	6,480	8,890	10,980	12,950	15,150	2,200
Yakima County	(3,750)	6,140	8,430	10,410	12,290	14,370	2,080
Metropolitan BOS	(3,750)	6,140	8,430	10,410	12,290	14,370	2,080
Benton County							
Cowlitz County							
Franklin County							
Grays Harbor County							
Kitsap County	(3,710)	6,080	8,350	10,310	12,160	14,220	2,060
Skagit County							
Whatcom County							
Thurston County	(3,710)	6,080	8,350	10,310	12,160	14,220	2,060
Non-Metropolitan BOS	(3,710)	6,080	8,350	10,310	12,160	14,220	2,060

NOTE: No adjustments to these levels are necessary, since they have already been adjusted by multiplying the lower living standard income levels by seventy percent.

Non-Metropolitan Balance of State includes the following counties:

Adams	Douglas	Jefferson	Mason	Skamania
Asotin	Ferry	Kittitas	Okanogan	Stevens
Chelan	Garfield	Klickitat	Pacific	Wahkiakum
Clallam	Grant	Lewis	Pend Oreille	Walla Walla
Columbia	Island	Lincoln	San Juan	Whitman

Parenthesis indicates that the figure is lower than the OMB nonfarm figure for the same size family.

TABLE 15

POVERTY INCOME LEVELS BY FAMILY SIZE FOR FARM AND NONFARM FAMILIES IN THE CONTINTENTAL UNITED STATES, 1981 1/

Family Size	Nonfarm	Farm
1	$ 4,310	$3,680
2	5,690	4,850
3	7,070	6,020
4	8,450	7,190
5	9,830	8,360
6	11,210	9,530

1/ For family units larger than six, add $1,380 for each additional nonfarm member and $1,170 for each farm member.

Of the 116,447 new job applicants registered with the Department of Employment Security from October 1980 through March 1981, 27.9 percent (32,545) were classified as economically disadvantaged (Table 16). Each year an increasing number of females enter the labor market, thereby increasing the proportion of new female job applicants (41.5 percent, up from 40.3 percent in 1979). The proportion of the economically disadvantaged declined from 32.0 percent in 1979 to 27.9 percent in 1980.

Although only 8.5 percent of the state population in 1980 was nonwhite, that segment accounted for 17.8 percent of the economically disadvantaged reflecting in part their lower level of education and skill training. They contributed heavily to the 38.7 percent of economically disadvantaged applicants who have less than a high school education. Those having less than a high school education were 28.1 percent of all new applicants registered during the period October 1980 through March 1981.

The number of Vietnam Era Veterans in the economically disadvantaged count has continued to drop from 3,505 (9.6 percent) in 1979 to 2,326 (7.1 percent) in 1980 as they find their way into the job market.

Table 16 provides a description of the new and the disadvantaged job applicants registered with the Employment Security Department.

Over the October 1980 to March 1981 period, 12,436 new applications for work were made by individuals on welfare. This amounted to 10.7 percent of the total new work applications for this period. It is estimated that 96,895 public assistance

recipients may require some form of employment-related services during fiscal 1982. This estimate is broken into the following categories:

Total FY 1982	96,895
Aid to Families with Dependent Children-Regular	27,125
Indochinese Refugee Assistance Program	770
Non-Assistance Food Stamps	69,000

The number of persons estimated for the AFDC - Regular caseload excluded mothers with children under six years of age.

The Aid to Families with Dependent Children - Employable and the General Assistance - Non-Continuing programs were discontinued effective February 28, 1981.

8. Characteristics of the Insured Unemployed

Although the economically disadvantaged are of special concern because they face many barriers to finding and retaining suitable employment, the majority of individuals requiring employment and training services are not disadvantaged. Some of these individuals are without suitable employment for a few weeks, while others may be jobless for months, depending on economic conditions. Many residents become unemployed each year because they are employed in seasonal industries, e.g., logging or construction, but the degree of hardship they suffer from unemployment varies considerably. Unlike many of the economically disadvantaged, though, they are eligible for unemployment compensation. An indication of the size of the nondisadvantaged group can be gauged by a look at data from the state unemployment insurance regular entitlement program.

The total number of beneficiaries that drew unemployment compensation during 1980 jumped 64,302 or 45.7 percent from 1979. By comparison, the 1978-79 gain was 9.3 percent or approximately a gain of 12,000. As jobs became harder to find the period of joblessness became longer as reflected in the average number of payments per beneficiary. In addition, 71.8 percent more claimants (up 19,285) exhausted their benefit entitlements in 1980 than in 1979. The number of exhaustions in 1978 was approximately the same as in 1979. In 1980, 21.3 percent of new beneficiaries drew their entire entitlement while in 1979, 18.1 percent exhausted their benefits. (See Table 17).

TABLE 16

CHARACTERISTICS OF JOB APPLICANTS REGISTERED WITH
THE WASHINGTON STATE EMPLOYMENT SECURITY DEPARTMENT
OCTOBER 1980 THROUGH MARCH 1981

	TOTAL		NEW		DISADVANTAGED	
	TOTAL	PERCENT OF TOTAL	TOTAL	PERCENT OF TOTAL	TOTAL	PERCENT OF TOTAL
TOTAL APPLICANTS	116,447	100.00	83,902	100.0	32,545	100.00
Male	68,161	58.5	49,384	58.9	18,777	57.7
Female	48,286	41.5	34,518	41.1	13,768	42.3
Minority Groups	18,694	16.1	10,906	13.0	7,922	24.3
Black	5,699	4.9	3,172	3.8	2,527	7.8
American Indian and Alaska Native	2,907	2.5	1,768	2.1	1,139	3.5
Asian & Pacific Island	3,869	3.3	1,735	2.1	2,134	6.6
Hispanic	8,341	9.9	4,231	5.0	2,122	6.5
Handicapped	5,145	4.4	2,853	3.4	2,292	7.0
Veterans	20,066	17.2	14,105	16.8	5,961	18.3
Vietnam Era	8,310	7.1	5,984	7.1	2,326	7.1
Under Age 22	29,421	25.3	21,217	25.3	8,204	25.2
45 Years or Older	12,271	10.5	9,290	11.1	2,981	9.2
Less Than High School Education	32,728	28.1	20,120	24.0	12,608	38.7

Table 17

BENEFICIARIES RECEIVING UNEMPLOYMENT INSURANCE* IN WASHINGTON STATE

Calendar Year 1979-1980

	1980	1979	% Change 1979-1980
New Beneficiaries	205,050	140,748	45.7
Average Number of Payments per Beneficiary	14.60	12.50	16.8
Exhaustions	43,737	25,452	71.8
Average Weekly Benefit Amount	$107.16	$ 95.59	12.1
January			
Year Low	107.16	94.74	13.1
December	115.95	105.58	9.8
Maximum Weekly Benefit Amount			
Jan.-June	$137.00	$128.00	7.0
July-Dec.	150.00	137.00	9.5

*Coverage under the Washington Employment Security Act represents about 92 percent of all nonagricultural wage and salary workers. Those not covered are temporary agricultural labor, railroad employees, some domestic service workers in private homes, unpaid family workers and the self-employed.

As indicated on Table 18 the number of unemployed that were receiving unemployment compensation increased 10.5 percent (8,108) to total 84,991 between February 1980 and February 1981. Percentagewise the beneficiary count gain for women at 26.8 percent was more than five times the 5 percent increase for men. In February 1980 women beneficiaries were 25.5 percent of the total but a year later they represented 29.2 percent.

The trade and service industries which depend in large measure on discretionary spending recorded the highest numerical gain (6,371) in the beneficiary count (Table 19). The removal of these job opportunities adds to the problems women already face in the labor market.

As the unemployed exhaust their benefits, they are no longer counted in the beneficiary data. The lumber and wood products industry was hard hit by the depressed housing market and also has a seasonal slump during the winter months. The -11.6 percent drop in beneficiaries between 1980 and 1981 is attributable to the exhaustion of benefits rather than to returns-to-work.

TABLE 18

CHARACTERISTICS OF THE INSURED UNEMPLOYED
IN WASHINGTON STATE 1/

	February, 1981		February, 1980		Feb. 1980 to Feb. 1981
Total Receiving Compensation	84,991		76,883		10.5
Characteristics	Number	Percent Distribution	Number	Percent Distribution	Percent Change
Sex of Claimant					
Male	60,158	70.8	57,292	74.5	5.0
Female	24,833	29.2	19,591	25.5	26.8
Age of Claimant					
Under 25	17,532	20.6	16,697	21.7	5.0
25-34	33,719	39.7	29,202	38.0	15.5
35-44	15,836	18.6	13,223	17.2	19.8
45-54	9,685	11.4	8,800	11.4	10.1
55-64	7,277	8.6	7,596	9.9	-4.2
65 and Over	941	1.1	1,366	1.8	-31.1
Duration of Claims					
1-2 Weeks	16,030	18.9	15,493	20.1	3.5
3-4 Weeks	11,743	13.8	20,448	26.6	-42.6
5-14 Weeks	38,944	45.8	34,754	45.0	12.1
15 Weeks and Over	18,274	21.5	6,368	8.3	187.0

1/ Details may not sum to the totals because of rounding.

TABLE 19

PREVIOUS EMPLOYMENT OF THE INSURED UNEMPLOYED
IN WASHINGTON STATE 1/

	February, 1981		February, 1980		Percent Change in Claimant Level From Feb. 1980 to Feb. 1981
	Number	Percent Distribution	Number	Percent Distribution	
Occupation of Previous Employment					
Professional, Tech., Managerial	7,802	9.2	5,998	7.8	30.1
Clerical and Sales	12,348	14.5	9,286	12.1	33.0
Services	6,892	8.1	5,095	6.6	35.3
Farm, Fishing, Forestry	5,236	6.2	5,141	6.7	1.8
Processing	4,498	5.3	5,210	6.8	-13.7
Machine Trades	6,839	8.0	6,762	8.8	1.1
Bench Work	2,620	3.1	2,131	2.8	22.9
Structural Work	22,334	26.3	21,791	28.3	2.5
Miscellaneous Work	15,663	18.4	15,469	20.1	1.3
Information Not Available	758	0.9	-0-	-0-	XXX
Industry of Last Employment					
Lumber and Wood Products	7,427	8.7	8,406	10.9	-11.6
Paper Products	1,149	1.4	672	0.9	71.0
Food and Kindred	4,659	5.5	4,886	6.4	4.6
Metals and Machinery	3,619	4.3	3,520	4.6	2.8
Transportation Equipment	3,057	3.6	2,131	2.8	43.5
Other Manufacturing	4,084	4.8	3,612	4.7	13.1
Construction	18,535	21.8	17,901	23.3	3.5
Trans., Comm., Utilities	4,148	4.9	4,238	5.5	-2.1
Trade	17,680	20.8	13,825	18.0	27.9
Finance, Insurance, Real Estate	2,461	2.9	2,269	3.0	8.5
Services	11,200	13.2	8,684	11.3	29.0
Other Nonmanufacturing	6,972	8.2	6,161	8.0	13.2
Information Not Available	-0-	-0-	579	0.8	XXX

1/ Details may not sum to the totals because of rounding.

9. Barriers to Employment of the Disadvantaged

The major barrier confronting disadvantaged individuals in securing employment is a scarcity of employment opportunities. With experienced, fully-qualified workers often willing to accept jobs below their skill level until more suitable openings arise, prospects for the disadvantaged workers are lessened considerably. Even in relatively prosperous periods, however, non-economic factors often serve as major barriers to finding and holding a job for disadvantaged individuals. These factors include child care and transportation problems, lack of education, job experience and/or job training, physical and mental handicaps, age and minority group status. Many disadvantaged individuals must overcome more than one of these factors before becoming employed.

Many of the disadvantaged are welfare recipients, female heads of household, minority group members, handicapped individuals, and persons with less than a high school education. For many female heads of household, securing satisfactory child care arrangements is a significant problem. To offset the resulting costs and make employment financially worthwhile, they must find full-time jobs at reasonable wages. Unfortunately, many jobs open to women with little education or experience provide an income little greater, if as great, as welfare benefits when child care, transportation and other job-related expenses are taken into consideration.

Minority group members still have greater difficulty securing suitable employment than others, although legislation and greater social awareness have reduced discrimination in recent years. A large proportion of the Native American population faces the additional handicap of being located on reservations remote from potential employment and training facilities.

Physically or emotionally handicapped persons also face a disadvantage in securing employment, although most do not have handicaps which affect job performance. National advertising with emphasis on paraplegics and amputees gives many people the impression that mobility and manipulative skills of all handicapped people are impaired, which is not the case. Even those confined to wheelchairs are quite capable of meeting the high job performance standards. Often, though, architectural features at their job site, such as stairways and narrow doorways, act as barriers to their employment. Recent legislation, however, governing the construction of new public buildings requires that provisions be made for access by such handicapped individuals.

Many young persons also have more than the usual amount of difficulty in finding a job. Over 25 percent of the total job seekers at Employment Security offices are under age 22. Youth entering the job market lack the years of training or experience

their older competitors have acquired. With an increasingly technical society, there has been a decrease in demand for unskilled labor. In the past, these positions provided opportunities for unskilled youth to enter the labor force and acquire skills on the job.

The entrance requirements for apprenticeships that are set by joint labor-management committees create problems for disadvantaged youth. Hiring specifications usually include an age limit, a high school diploma or equivalent, the ability to meet the norms on aptitude tests, and physical attributes which may not be necessary for successful job performance.

A job characteristic of the disadvantaged is a low educational attainment level. More than 38 percent of the disadvantaged job applicants at local job service centers did not graduate from high school. Although high school graduation may be necessary for certain jobs, for many it is not required to perform the assigned tasks well. Employers should review hiring requirements which stipulate educational levels so that the requirements are not unnecessary barriers.

APPENDIX I

CETA PRIME SPONSORS
WASHINGTON STATE

1. Clark County which serves the entire county

2. King-Seattle Consortium which serves all of King County including the City of Seattle

3. Kitsap County which serves the entire county

4. Pierce County which serves the county exclusive of the City of Tacoma

5. Snohomish County which serves the entire county

6. Spokane City-County Employment and Training Consortium which serves all of Spokane County

7. City of Tacoma which serves that city

8. Thurston County which serves the entire county

9. Yakima County which serves the entire county

10. Balance of State (BOS) which serves all areas in the state not served by other prime sponsors. Included are the counties of:

Adams	Klickitat
Asotin	Lewis
Benton	Lincoln
Chelan	Mason
Clallam	Okanogan
Columbia	Pacific
Cowlitz	Pend Oreille
Douglas	San Juan
Ferry	Skagit
Franklin	Skamania
Garfield	Stevens
Grant	Wahkiakum
Grays Harbor	Walla Walla
Island	Whatcom
Jefferson	Whitman
Kittitas	

In 1982 Whatcom County will also become a Prime Sponsor.